

DAILY REPORT

CONTENTS

China

Vol I No 213

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PRC INTERNATIONAL AFFAIRS

GENERAL

PRC UN Delegate Speaks on Fight Against Drugs	A 1
Zhao Ziyang Greetes UNESCO Anniversary	A 1

UNITED STATES

Deng Xiaoping Meets U.S. Mathematician	B 1
American Experts Survey PRC Economy at Seminar	B 2
Wu Xueqian Meets U.S. Assistant Secretary Sigur	B 2

SOVIET UNION

RENMIN RIBAO on USSR 'Facade' of Troop Withdrawal [2 Nov]	C 1
'High-Ranking' Soviet Team To Attend Tokyo Meet	C 2

NORTHEAST ASIA

Japan Seeks Revision of Defense Expense Ratio	D 1
500 Youths To Visit Japan in Cultural Exchange	D 1
PLA's Xu Xin Attends Japanese Envoy's Reception	D 1

SOUTHEAST ASIA & PACIFIC

Australia Supports PRC's Accession to GATT	E 1
RENMIN RIBAO on Vietnamese 'Nonsense' on Cambodia [29 Oct]	E 1
LIAOWANG on Vietnam's Intrusion Into Thailand [OVERSEAS EDITION 27 Oct]	E 2
XINHUA 'Analysis' on Philippine Cabinet Crisis	E 4

SOUTH ASIA

Pakistani Senate Chairman Discusses PRC Visit	F 1
Meets CPPCC Official	F 1
Honored at Banquet	F 1
Meets Li Xiannian	F 2

WESTERN EUROPE

Italy's Craxi Ends Visit, Departs From Shanghai	G 1
Belgian Minister of Communications Visits Beijing	G 1
Meets With Zheng Tuobin	G 1
Loan Agreement Signed	G 2
Song Jian Meets Belgian Science Policy Official	G 2
Swiss Foreign Minister To Visit 11-16 Nov	G 2
Zhao Ziyang Meets FRG Banker Chairman in Beijing	G 3
French President, Premier Meet Outgoing Envoy	G 3

EASTERN EUROPE

XINHUA Analyzes Albanian Party Policies	H 1
Hungarian Scientist Lauds PRC Economic Reform	H 1
Radio, TV Delegation Arrives in Yugoslavia	H 2
LCY Official Meets CPC Workers Delegation	H 2

MIDDLE EAST & AFRICA

PRC Leaders Greet New Mozambican President	I 1
Kenyan President Inspects PRC-Aided Areas	I 1

WESTERN HEMISPHERE

Shanghai Begins First PRC-Canada Joint Venture	J 1
Mexico Announces President To Visit PRC, Japan	J 1
Wang Bingqian Meets Mexican Treasury Official	J 1

PRC NATIONAL AFFAIRS

HONGQI Editorial Commemorates Long March [16 Oct]	K 1
Military Exhibition Features New Weapons [AFP]	K 4
Military Cadres Work To Strengthen Ideals [RENMIN RIBAO 24 Oct]	K 5
Imprisoned Official Accepts Inheritance	K 7
Li Peng, Others Visit Beijing Trade Fair	K 8
NONGMIN RIBAO on 'Wenzhou Model,' Policy Issues [11 Oct]	K 9
Central, Local Governments Act on Investment Rule	K 22
Official Talks on Urban Development Plans	K 23
Wang Bingqian at Meeting on Aiding Poor Areas	K 24
Boost for Scientific Equipment Announced [CHINA DAILY 29 Oct]	K 25
Song Jian Praises Science Information Workers	K 26
Paper Interviews Family Planning Minister [SOUTH CHINA MORNING POST 4 Nov]	K 26
Beijing Hosts First Forestry Products Exhibition	K 29

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Henan Leader Stresses Building Third Echelon	P 1
Hubei Spiritual Civilization Efforts Commended	P 1
Human Rural Surplus Laborers Seek Work in Towns	P 2

SOUTHWEST REGION

Guizhou People's Congress Meeting Concludes	Q 1
Sichuan Rally Commends PLA Grass-Roots Building	Q 1
Sichuan Opens Provincial Cooperation Symposium	Q 1
NPC Standing Committee Vice Chairman Inspects Yunnan	Q 2
Yunnan People's Congress Session Opens in Kunming	Q 2
Yunnan Water Conservancy Conference Concludes	Q 3

NORTH REGION

Secretary Attends Beijing Long March Celebration [BEIJING RIBAO 21 Oct]	R 1
Shanxi Starts Taxation, Finance, Price Inspection	R 1
Shanxi Province Welcomes Foreign Investment [RENMIN RIBAO 1 Nov]	R 2

NORTHEAST REGION

Heilongjiang Secretary on Controlling Role of Banks	S 1
Foreign Investment in Heilongjiang Declines	S 1
Jilin Secretary Writes Article on CPC Resolution [JILIN RIBAO 23 Oct]	S 2
Liaoning CPPCC Standing Committee Meeting Ends [LIAONING RIBAO 20 Oct]	S 7
Briefs: Jilin Key Project Investment; Jilin Savings Deposits; Liaoning Outside Fund Use	S 8

NORTHWEST REGION

Ningxia Studies Sixth Plenary Session Documents [NINGXIA RIBAO 17 Oct]	T 1
Qinghai Cadre Imprisoned for Corruption, Power Abuse	T 2
Section Chief Sentenced	T 2
Commentary on Corruption Case	T 2
Qinghai's Xining City Selects Army Recruits	T 3
Shaanxi Secretary Meets Japanese Delegation	T 3
Shaanxi To Conduct Financial, Tax Inspection	T 3
Shaanxi Cadres Awarded for Grass-Roots Service	T 4
Xinjiang CPC Committee Hosts Work Conference	T 5
Conference Opens	T 5
Secretary Addresses Conference	T 5
Xinjiang PLA Party Meeting Studies Resolution	T 6

HONG KONG & MACAO

HONG KONG

PRC To Establish Foreign Ministry Base in 1987 [SOUTH CHINA MORNING POST 4 Nov]	W 1
Justice Group Meets Ji Pengfei in Beijing	W 1

PRC UN DELEGATE SPEAKS ON FIGHT AGAINST DRUGS

OWO40846 Beijing XINHUA in English 0838 GMT 4 Nov 86

[Text] United Nations, November 3 (XINHUA) -- China will not tolerate the illegal passage of drugs through its territory to other countries, a Chinese delegate told the General Assembly today.

Chinese authorities have "already intercepted some foreign transit drug traffickers and rendered severe punishment according to law," Du Yong told the assembly's Third Committee, which is concerned with social, humanitarian and cultural issues.

"In recent years, a few international illicit drug traffickers have taken advantage of our opening-door policy, and attempt to smuggle drugs into China and then trans-ship them to other countries," Du said. "Historically," she said, "illicit drugs brought untold suffering to the Chinese people. While invading China, the imperialists took China as the dumping ground of their opium."

Soon after the founding of the People's Republic in 1949, the government issued a general "opium ban", prohibiting the taking, selling, growing and private stocking of opium, morphine, heroine and other drugs, Du said.

She pledged that China "will continue to keep strict control over the cultivation and use of narcotics and outlaw any illegal cultivation and abuse of narcotics."

The taking and trafficking of illegal drugs is an international problem that grows worse each year. According to estimates by the World Health Organization, there are 48 million drug addicts in the world. The General Assembly, in accordance with Resolution 122 adopted at its 40th session, will convene an international conference on drug abuse and illicit trafficking at the ministerial level next year.

Du said, "The Chinese Government is willing to strengthen its cooperation with relevant U.N. agencies and others governments to exchange experience...to make positive contributions in eliminating this social evil."

ZHAO ZIYANG GREETES UNESCO ANNIVERSARY

OWO40304 Beijing XINHUA in English 0251 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chinese Premier Zhao Ziyang has sent a message to head of the United Nations Educational, Scientific and Cultural Organization (UNESCO), expressing his best wishes on the occasion of UNESCO's 40th birthday.

Zhao, in his November 3 message to UNESCO director-general Amadou Mahtar M'Bow, said the international organization has made positive contributions to enhancing the development of education, science, culture and communications in its member countries and especially in developing nations. He hoped that the organization will study its past efforts, improve its work and make even more contributions to world development and the maintenance of peace.

The Chinese premier also expressed his government's satisfaction with China's growing cooperation with UNESCO and reaffirmed China's support for the organization.

DENG XIAOPING MEETS U.S. MATHEMATICIAN

OWO32003 Beijing XINHUA Domestic Service in Chinese 0913 GMT 3 Nov 86

[By reporter Yu Jiafu]

[Text] Beijing, 3 Nov (XINHUA) -- Deng Xiaoping, chairman of the Advisory Commission of the CPC Central Committee, met with Professor Shiing Shen Chern, a well-known mathematician and member of the U.S. National Academy of Sciences, and Mrs Chern at the Great Hall of the People today. During the meeting, Deng expressed his views on training young cadres, scientists, technicians, and teachers.

Deng Xiaoping said: The first goal for China's political structural reform is to keep vitality in organizations at all levels. In order to keep the vitality, we must lower the average age of our cadre ranks, because vitality is impossible without young people. The academic circles are no exception either. Talented young people must be promoted in order to make the academic circles vigorous. Depending upon old comrades alone is not enough.

He said: Most of our leaders were in their 40's when the People's Republic was founded because we had already undergone a revolutionary struggle then for 20 or 30 years. However, leadership for science and education does not have to be that old. Young people should be promoted to leading posts if they are capable.

Deng Xiaoping said that he hoped to see people in their 30's and 40's shoulder heavy responsibilities as statesmen, scientists, economists, and experts in management in the future.

Shiing Shen Chern, 75, said to Deng Xiaoping: You were very young when you were a revolutionary in Paris.

Smiling, Deng Xiaoping said: I was only 16 then. And I was just 25 when I became secretary general of the CPC Central Committee. I think it worked out OK. We should prepare young people in their 20's and 30's with both ability and political consciousness for leading posts. To do so, we must break the rule of seniority. At the same time, we must enforce the retirement system.

State Councillor Song Jian was present at the meeting. He chipped in and said: At present, there is a phenomenon whereby people tend to be dissatisfied if their peers are promoted and they are not.

Deng Xiaoping said: This phenomenon must be corrected. We must have some courage in promoting young people. In academic circles, we should make our policy clear and be bold in breaking the rule of seniority. It is very easy to find out who is more capable. Academic and educational circles should begin to break the rule of seniority.

He Dongchang, vice minister of the State Education Commission, was also present at the meeting. He told Deng Xiaoping that two young people around 30 in Shanghai had become full professors.

Deng Xiaoping said: That's good. Mr Chern, too, became famous when he was in his 30's.

Towards the end of the meeting, Song Jian and He Dongchang made a suggestion to Deng Xiaoping that several dozen young experts in the scientific, technological, and educational fields be promoted to important positions each year, so that there would be several hundred young experts holding important positions 10 years later.

Deng Xiaoping said: "I support your suggestion. Go ahead and do it."

After the meeting, Deng Xiaoping feted Mr and Mrs Shiing Shen Chern.

Shiing Shen Chern, who was director of a U.S. National Mathematical Research Institute, enjoys a very high reputation in international academic circles. Very much concerned about China's development of mathematics and training of mathematicians, he is now director of the Mathematical Research Institute of Nankai University in Tianjin. He has been on another lecture tour of China since early October this year.

During their conversation, Deng Xiaoping praised Shiing Shen Chern for his work at Nankai University. Shiing Shen Chern said that he was glad to be able to do something for China and deemed it a pleasure to meet with Deng Xiaoping for the third time.

AMERICAN EXPERTS SURVEY PRC ECONOMY AT SEMINAR

OW031735 Beijing XINHUA in English 1543 GMT 3 Nov 86

[Text] Shanghai, November 3 (XINHUA) -- A seminar on China's economic policies and reforms, initiated by the American Brookings Institution and the Shanghai International Issues Society opened here today.

Some 31 American researchers are here to study China's reforms, foreign trade system and investment environment.

At today's session, Li Gonghao, deputy director of the city's Planning Commission, introduced the city's economic management system, policymaking process and institutions.

The six-day seminar will be held in Shanghai and Beijing. Chinese experts on economic, law and finance will have discussions with the American guests.

WU XUEQIAN MEETS U.S. ASSISTANT SECRETARY SIGUR

OW031308 Beijing XINHUA in English 1300 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Gaston J. Sigur, Jr, U.S. assistant secretary of state for East Asian and Pacific affairs, here this afternoon.

Earlier, Vice Minister of Foreign Affairs Zhu Qizhen conferred with Sigur on international issues of common concern and on bilateral relations.

Sigur arrived here yesterday for political consultations with the Chinese Foreign Ministry.

RENMIN RIBAO ON USSR 'FACADE' OF TROOP WITHDRAWAL

HK031230 Beijing RENMIN RIBAO in Chinese 2 Nov 86 p 6

[Commentator's article: "Putting Up a Facade for Troop Withdrawal"]

[Text] Moscow announced that the Soviet Union was pulling out 6 regiments, that is, about 8,000 soldiers from Afghanistan between 15 and 31 October. The Soviet Union has made dramatic propaganda regarding the recent "partial withdrawal." Soviet officials made statements to announce their position, the media went all out to rouse public opinion, and the authorities concerned even organized foreign reporters to cover the story at the withdrawal site. This Soviet Union action actually aimed to put up a facade of a "sincere" and "major step" for the political settlement of the Afghan question to deceive the public.

But, what is the real truth? Is there any practical significance in the Soviet "partial withdrawal"? Any one who looks at the facts without prejudice will see through the Soviet scheme.

Compared with the 120,000 Soviet troops now in Afghanistan, the withdrawal of 8,000 troops as announced by the Soviet Union was simply a fraction. Moreover, most of those troops withdrawn were useless in fighting against the Afghan guerrilla forces. Besides, it was reported that the Soviet Union had deployed a reinforcement of 15,000 troops with updated equipment in Afghanistan several months prior to its announcement of the partial withdrawal. It is not difficult to see that this so-called Soviet "partial withdrawal" hides what was in reality a military reinforcement. The number of soldiers sent in exceeds the number withdrawn. In addition, the soldiers withdrawn are quite useless in that country, while their replacements are urgently needed. Therefore, this has not in the least reduced the Soviet military strength in Afghanistan, neither did it show that the Soviet Union is sincere in resolving the Afghan question. It was precisely when the pullout began that the Soviet Union was stepping up its encirclement and suppression of the Afghan guerrilla forces and its barbarous act of slaughtering ordinary people. This has served as powerful evidence.

The resolutions adopted at all sessions of the UN General Assembly stipulate that the withdrawal of all Soviet aggressive troops from Afghanistan is the basis for the political settlement of the Afghan question. The Soviet Union should propose a rational schedule for the complete pulling out of its troops from Afghanistan, and implement the schedule as soon as possible. However, when the Soviet Union announced its "partial withdrawal," it did not propose a further plan for pulling out its troops, while refusing to present a specific schedule for the complete pullout of its troops; on the contrary, it was harping on the same old tune that an all-round pullout was possible only when "foreign intervention" was halted. Therefore, people have grounds to point out that the recent Soviet step was aimed only at turning down a complete pullout and replacing it with a "partial withdrawal," and covering up its real aggressive acts with its propaganda of "partial withdrawal" in bluff and bluster. Besides, it was obvious that the Soviet Union attempted to make the people of the world cease their support for the Afghan people in their struggle against aggression under the pretext of "partial withdrawal," and to pave the way for the reinforcement of its troops at any time.

The Soviet aggression in Afghanistan has brought great disasters to the country. The war, lasting more than 7 years, has made this ancient Asian nation suffer, with numerous lives being lost, and several million people compelled to leave their native land, and reduced to the status of refugees. As a result, the peace and security of the countries bordering Afghanistan as well as of the South Asian areas have been threatened. [paragraph continues]

The Soviet Union has also paid a tremendous visible and invisible price for the war. Over the past 7 years or so, the Soviet Union has suffered more than 30,000 casualties in Afghanistan, and consumed close to \$10 billion. The Soviet Union has continuously been condemned throughout the war, and isolated because of this unjust war; and the complaints of the Soviet people are growing with each passing day. The Afghan question has become a great burden to the Soviet Union, as well as a mental problem to the Soviet leaders. The Soviet Union conjured up the magic of "partial withdrawal" prior to the debate on the Afghan question at the 1986 UN General Assembly, in an obvious attempt to deceive the world and to alleviate the internal and external pressures, so that it may change its difficult situation at present, while continuing to occupy Afghanistan and to use it as a springboard to advance its strategy to push southward. However, this Soviet scheme, prepared with meticulous care, can fool nobody. Public opinion in various countries in the world has in succession exposed the plot and nature of the Soviet partial withdrawal, and demanded the unconditional complete pullout of Soviet troops from Afghanistan as soon as possible. This shows the resolute position and unshakable determination of the international community on the Afghan question.

The Afghans are a heroic people. The facts on the Afghan battlefield over the past 7 years and more have proved that the attempt to conquer the Afghan people by military means is in vain. The empty talk about a "political settlement," and "partial withdrawal" is useless to the Soviet Union in changing its unfavorable position in the international community, but serves only to prove that it has no sincerity in resolving the Afghan question. The Soviet Union should pull out all of its armed forces from Afghanistan as soon as possible. This is the only way to politically resolve the Afghan question, as well as the radical way for the Soviet Union to get out of a difficult situation.

'HIGH-RANKING' SOVIET TEAM TO ATTEND TOKYO MEET

OW040800 Beijing XINHUA in English 0710 GMT 4 Nov 86

[Text] Tokyo, November 4 (XINHUA) -- The Soviet Union is expected to send a high-ranking delegation to the fifth Japan-Soviet roundtable meeting from December 1 to 3 in Tokyo.

The English language daily "YOMIURI DAILY" today quoted informed sources as saying that while meeting in Moscow Shigeyoshi Matsumae, former president of Takai University, the Soviet First Deputy Premier Geydar Aliyev said that the Kremlin is interested in the Tokyo roundtable meeting and is considering dispatching a high-ranking mission to the meeting.

Aliyev is also one of the 14 Communist Party Politburo members.

Matsumae, heading the Japan Association for the Promotion of Overseas Cultural Exchanges, met with Aliyev on October 15.

Japan had expressed its wishes that a Politburo member or other senior Soviet official attend the Japan-Soviet roundtable conference.

According to the sources, Aliyev also told Matsumae that the roundtable meeting is expected to play a role in creating "a favorable atmosphere in Soviet-Japanese relations."

Aliyev's remarks were interpreted in the local media as suggesting that the Soviet Union regards the upcoming meeting as a forum of key importance in preparing for a promised visit to Japan by Soviet leader Mikhail Gorbachev. No date has been set for the trip, but the Japanese hope it will take place before the end of January, 1987.

JAPAN SEEKS REVISION OF DEFENSE EXPENSE RATIO

OW030918 Beijing XINHUA in English 0836 GMT 3 Nov 86

[Text] Tokyo, November 3 (XINHUA) -- The Japanese Defense Agency decided yesterday to suggest Nakasone's cabinet revise the limit on defense expense in the gross national product to around one percent, according to the Japanese newspaper, YOMIURI SHIMBUN today.

The paper said the decision was made to cope with the possible overstep of the defense expense limit set by the cabinet of Takeo Miki in 1976, in the 1987 fiscal budget. The limit was set at within one percent.

The Director-General of Defense Agency Yuko Kurihara will canvass the government and leaders of the ruling Liberal Democratic Party for support before he submits the decision to Yasuhiro Nakasone's cabinet for approval, the paper said.

Some observers here say the matter will invoke political disputes.

500 YOUTHS TO VISIT JAPAN IN CULTURAL EXCHANGE

OW011844 Beijing XINHUA in English 1519 GMT 1 Nov 86

[Text] Tokyo, November 1 (XINHUA) -- A total of 500 Chinese youths will be invited to Japan over the next five years as cultural exchanges between the two countries continue. Japanese Government sources said today.

The sources, as quoted by the KYODO NEWS SERVICE, said Prime Minister Yasuhiro Nakasone is expected to propose the exchanges to Chinese leaders when he visits Beijing next weekend.

Sources said Nakasone believes that Japan and China improve their mutual understanding through regular youth exchanges.

His proposal has 100 Chinese youths visiting Japan each year for five years beginning in fiscal 1987, which starts next April.

In the autumn of 1984, 3,000 Japanese youths traveled to China at the invitation of Chinese Communist Party leader Hu Yaobang, and 500 Chinese were invited to Japan as part of the "Japan-China friendship ship" program last year.

PLA'S XU XIN ATTENDS JAPANESE ENVOY'S RECEPTION

OW311242 Beijing XINHUA in English 1232 GMT 31 Oct 86

[Text] Beijing, October 31 (XINHUA) -- Japanese Ambassador to China Yosuke Nakae gave a reception here today at his residence to mark the 36th anniversary of Japan Self Defense Forces Day.

Among those present was Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army.

AUSTRALIA SUPPORTS PRC'S ACCESSION TO GATT

OWO31320 Beijing XINHUA in English 1250 GMT 3 Nov 86

[Text] Canberra, November 3 (XINHUA) -- Australian Prime Minister Bob Hawke today expressed his country's support for China's accession to the General Agreement on Tariffs and Trade (GATT).

The GATT effective on January 1, 1948, was established to achieve a substantial reduction of tariffs and other barriers on trades.

Hawke made his statement when speaking at a 3-day forum on international trade law, which was sponsored by the commonwealth attorney-general's department and came to a close here today.

Hawke said that "China's accession to the GATT will further contribute to a stable and secure framework of law, policy and principle within which enterprises from China and Australia can take full advantage of the substantial opportunities for trade and investment both ways, to our mutual benefit."

He said that his country has looked forward to working with China in securing improvements in the effectiveness of the GATT. He noted that Australian officials have worked together in Canberra on how Chinese membership might be most effectively progressed.

Dwelling on the world trade situation, Hawke said that the international rules on fair trading are being bent, manipulated and broken in such a cavalier fashion that the viability of the world trading system has been put under threat.

Hawke pointed out that some governments around the world "have become more protectionist and far more prone to using non-tariff barriers to circumvent international trading rules."

"Something in the order of 100 billion U.S. dollars a year is being channelled into agriculture by the European Community through price support and direct budgetary subsidies," Hawke said, adding that "the cost to American taxpayers of the U.S. farm act is expected to blow out this year from 35 billion U.S. dollars to around 50 billion U.S. dollars."

He said the task now is to proceed without undue delay to translate the recent GATT ministerial agreement in Uruguay and the words in various MTN (Multilateral Trade Negotiations) rounds into a set of binding obligations that are put into practice.

RENMIN RIBAO ON VIETNAMESE 'NONSENSE' ON CAMBODIA

HK031201 Beijing RENMIN RIBAO in Chinese 29 Oct 86 p 6

["Jottings" by Xi Mei (6932 2734): "Talking Nonsense"]

[Text] During his visit to Thailand, Vo Dong Giang, Vietnamese minister in the Foreign Affairs Ministry [wai jiao guo wu bu zhang 1120 0074 0948 0523 6752 7022], told the reporters on 24 October that the Vietnamese forces in Cambodia would not "launch a dry season offensive" against the anti-Vietnamese forces there because they had already "thoroughly destroyed" the bases of the Democratic Kampuchean guerillas and "have nothing else to do."

Obviously, Vo Dong Giang was talking nonsense. If they really "have nothing else to do," why should they not withdraw from Cambodia so they would not continue to be condemned by the world, and why should they remain there until 1990?

The fact is: After the 6th dry season in the anti-Vietnamese war, the armed forces of Democratic Kampuchea abandoned their bases near the border and shifted their main forces to the interior, so that the guerrilla war could spread from the border areas to the whole country, especially the heartland of the Vietnamese occupied areas. With the support of the broad masses of the Cambodian people, the anti-Vietnamese troops are attacking the enemy in a flexible way, appearing and disappearing mysteriously. Thus, the Vietnamese aggressors must send more forces to the Cambodian-Thai border in order to cut off the passages, while coping with the guerrilla attacks in the interior. Being passive and vulnerable to attack, they have been kept constantly on the run and are unable to take care of everything in the war. How can this be interpreted as "having nothing else to do?" If the Vietnamese soldiers, who are bleeding every day and in a constant state of anxiety, knew about this, they would surely curse from the bottom of their hearts: What Vo Dong Giang said was mere nonsense.

LIAOWANG ON VIETNAM'S INTRUSION INTO THAILAND

HK020040 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 43, 27 Oct 86 p 28

["Special dispatch" from Bangkok by Ma Shengrong (7456 0524 2837): "An Intrusion Aimed at Disentangling Predicament"]

[Text] Situated in Ban Kruat County, Buriram Province, in southeastern Thailand, Hill 538 is about 2 km from the Thai-Cambodian border. The Hill is surrounded by mountains stretching in an unbroken chain. Strategically located and difficult to reach, the O-Bok mountain pass leading to the border, is an important strategic point. Here, over the past 3 weeks, more than 10 battles have been fought between the Thai frontier force and the Vietnamese aggressor troops, wounding more than 20 Thai soldiers. Colonel (Muang) [meng 5536] of the Thai Army disclosed to reporters that the Vietnamese aggressors had planted mines around Hill 538 and that Thai soldiers were mostly wounded by the mines in an attempt to recapture the height.

It was under cover of heavy artillery fire on 20 September that the Vietnamese troops invading Cambodia crossed the O-Bok pass and occupied Hill 538. The Thai frontier force immediately launched a military operation to drive out the aggressors. However, due to the complicated terrain, the constant artillery fire from the Vietnamese troops stationed in Amphil village, Battambang Province, northwestern Cambodia, and the rainy season, the Thai frontier force failed to make rapid headway in its operation.

The Thai frontier force was determined to recapture the Hill and to drive out the Vietnamese aggressors as soon as possible. It also dispersed local villagers for fear that they would come under the artillery fire of the Vietnamese troops. A senior officer of the Thai Air Force said to reporters: "Most of the Vietnamese soldiers have been driven away from Thai borders; only a small number of them are still entrenched on the Hill. Because they have received ammunition under the cover of artillery fire and sealed off the road along which the Thai border troops were to advance toward the Hill, it will still take us some time to finish this military operation."

The Vietnamese troops obviously had tried to occupy Hill 538 for a long time and chose to occupy it during the rainy season. They deployed artillerymen in Amphil village opposite the Hill. [paragraph continues]

Analysts here hold that, because of the frequent operations launched by the Cambodian anti-Vietnamese patriotic forces in the northwestern border areas of Battambang Province, the Vietnamese troops tried to take advantage of the favorable terrain in the Thai territory occupied by them to mop up the resistance forces in the next dry season and to extricate themselves from the predicament in the battlefields.

In the dry season of 1984-85, the Cambodian resistance forces lost some bases in Cambodia's west and northwestern region. However, in the dry season of 1985-86, they not only held their ground in the interior but also built some new bases in the high mountains on the northwestern borders. Besides attacking the Vietnamese troops, they also constantly provide the troops fighting in the interior with manpower and materials. Obviously, the region will probably become a key target of the Vietnamese troops' mopping up operations in the next dry season.

In a recent interview with reporters at their base, the military leaders of the three resistance forces said that, as a result of their efforts in the last dry season and the current rainy season, further changes are taking place on the Cambodian anti-Vietnamese battlefields. The principal features are that contacts have been established between the battlefields in the interior and those in the western border areas so that the anti-Vietnamese forces can coordinate with one another in attacking the enemy over a fairly extensive area.

In his briefing, a responsible person of Democratic Kampuchea in the northwestern region said that, since the last dry season, the armed forces of Democratic Kampuchea have made considerable headway in the battlefields in the surrounding area of Battambang, the Tonle Sap Lake area, and the Phnom Penh area. In Battambang and the surrounding areas, the guerrillas have subjected the puppet regimes in the rural areas to constant attacks. The anti-Vietnamese forces have further consolidated their positions in the Tonle Sap Lake area and won over the masses and the puppet soldiers, thus creating conditions for the development of the Phnom Penh battlefield. At present, the operations of the Democratic Kampuchean forces against Vietnamese aggressor troops have been extended from the northern and northeastern parts of Phnom Penh to the south.

Although there is a slight difference between the Sihanouk National Army and the Khmer People's National Liberation Front led by Son Sann on the one hand and Democratic Kampuchea on the other in the division of the war zones, the basic operational zones are identical, namely, the first operational zone extending from Battambang and Pursat to Koh Kong and the second operational zone extending from Odor Meanchay, Sien Reap, Kompong Chanang, and Kompong Spou to Kampot. Prince (Sakkapeng) [xia ka peng 1115 0595 2590], deputy chief of staff of the Sihanouk National Army, said to reporters: "The troops of the three resistance forces cooperate very well in the first operational zone. We often help each other and keep each other informed so that the Vietnamese aggressors are often passive and vulnerable to attack." At present, the troops of the Sihanouk National Army and the Khmer People's National Liberation Front are ready to increase their strength in the second operational zone and to further develop the situation in the anti-Vietnamese struggle.

After occupying the bases of the resistance forces in the western and northwestern border areas in the dry season of 1984-85, the Vietnamese aggressor troops set about implementing their K-5 and S-5 programs. The K-5 program is aimed at sealing off the Cambodian-Thai border. To this end, Vietnam has transferred and concentrated a large number of soldiers from the interior of Cambodia and forced large numbers of Cambodian laborers and puppet soldiers to go to the Cambodian-Thai border to build fortifications, dig trenches, put up barbed wire entanglements, and lay mines. [paragraph continues]

The S-5 program is aimed at stepping up the Vietnamese troops' mopping up operations in the Cambodian interior provinces and cutting off the ties and logistic supplies of the anti-Vietnamese forces in various localities so as to wipe out the anti-Vietnamese forces one by one. Facts in the past year have more than proven that Vietnam has not succeeded in its plot. Recently, (Prum Vit) [ban tai 3803 3141], a responsible military person of the Khmer People's National Liberation Front, said to reporters: "The Vietnamese K-5 and S-5 programs have caused some difficulties to the resistance forces but they have not succeeded in stopping the development of the resistance forces. The troops of the three sides have grown stronger than before." Other leaders of the resistance forces disclosed that the K-5 program may have some effect on a smooth terrain but building fortifications has no effect in mountainous areas in the northwest.

According to the leaders of the resistance forces, the anti-Vietnamese troops have gained experience in breaking through the enemy blockade lines, removing land mines, and conducting military operations at night and on rainy days. In the past, the Vietnamese troops mostly rested and carried out a reorganization in the rainy season. In the rainy season this year, the resistance forces stepped up their offensives, forcing the Vietnamese troops to stop resting and reorganizing and to transfer troops to defend cities and towns, including Phnom Penh. The resistance forces, however, have gained the initiative. While attacking the Vietnamese troops, they have replaced losses, rested, and carried out reorganization in preparation for battles in the next dry season.

In the past year and more, changes have taken place in the pattern on the Cambodian anti-Vietnamese battlefields. The Vietnamese troops will have to shift from mainly mopping up operations to giving consideration to mopping up operations and to defending cities, towns, and fortified points. They are in a rather passive position. The Vietnamese have landed in an unprecedentedly difficult position on the Cambodian battlefield. In spite of this, the Vietnamese aggressor troops will continue their policy of invading and occupying Cambodia. In the coming dry season, the Vietnamese troops invading Cambodia will step up their encirclement and mopping up operations against the resistance forces and will find pretexts to intrude into Thailand and constantly carry out provocative activities.

A senior Thai military commander said Vietnam had carried out numerous military provocations against Thailand since it invaded Cambodia. He indicated that no matter what methods Vietnam may adopt, Thailand will never change its policy of supporting the Cambodian people in resisting aggression.

XINHUA 'ANALYSIS' ON PHILIPPINE CABINET CRISIS

OW011205 Beijing XINHUA in English 1038 GMT 1 Nov 86

["News analysis: Philippine Cabinet Crisis -- (by Zhai Shuyao)" -- XINHUA headline]

[Text] Manila, November 1 (XINHUA) -- The rift between Philippine President Corazon Aquino and her Defense Minister Juan Ponce Enrile has evolved into a crisis, threatening the political stability of the country.

The eight-month old government's first major crisis is coming from within. Many observers here predict a showdown soon.

The conflict started when Enrile began attacking Aquino for her policies on the "insurgency issue" and interpretation of the February 22-25 civilian-supported military uprising that toppled the government of former President Ferdinand Marcos.

Enrile has criticized Equino for what he considered "soft-touch" or "kid-glove" policies on the "insurgency issue," prejudging that any peace initiatives with the National Democratic Front (NDF), representing the outlawed Communist Party of the Philippines, "will only fail."

Enrile has made it clear he favors an all-out military solution to end the 17-year-old issue that started during the early years of the Marcos regime.

The president, on the other hand, has taken the position that "we should talk first before we shoot each other" and a purely military solution should be a last resort.

Aquino has insisted that the insurgency issue should be solved through a combination of economic, political and social means instead of violence, pointing to the experience under the Marcos regime, where the military solution failed. She has argued that despite the repeated use of high-handed measures, the "communist insurgents" grew from less than a hundred in 1969 to about 16,500.

Despite repeated attacks by the defense minister, the president has chosen to remain silent, leaving the job of defending herself to her political lieutenants.

The lieutenants have answered by asking the defense chief to resign if he could not agree with the president's policies.

Enrile responded by demanding the ouster of eight cabinet ministers whom he accused of having "leftist" views.

The internal dispute was further complicated when Vice-President and Foreign Minister Salvador Laurel joined the fray and supported Enrile's position.

Laurel, who admitted that he was treated like an outcast in the cabinet by the president's rejection of his recommendations for key cabinet and local positions, supported Enrile's position of a stronger hand in "dealing with the insurgency issue" and on a cabinet revamp.

To make matters worse, Enrile declared at a mass rally in the central city of Cebu about two weeks ago that the Aquino government is nothing but a "coalition of the military and civilian forces" that toppled the Marcos regime.

He said that the president could not fire him from the government because his ouster could mean a "breakdown" in the coalition of which he is a partner.

In effect, Enrile was saying that the Aquino government is but a coalition of the military leaders like himself and Armed Forces Chief of Staff General Fidel Ramos and civilian leaders like Aquino and Laurel.

Laurel has also supported this position, airing in one television program that the president indeed entered into a coalition agreement during the military uprising.

On the other hand, the president has remained silent on the issue but her political supporters in the cabinet insisted that there was no such coalition agreement and that she became the president because she won in the February 7 election.

Enrile has called for a presidential election next year, arguing that the real winner in the disputed presidential election was not established.

Laurel once again supported Enrile by raising his suggestion to separate the issue of the six-year term of office of Aquino and his post as vice-president from the entire constitution in the plebiscite to be held on January 23, 1987.

Some political analysts here have speculated that both Enrile and Laurel have presidential aspirations and actually disagree on the new constitution as they would have to wait six years before getting a chance to run for the presidency. But their supporters have claimed that they are safeguarding the country's "democracy."

Enrile, who reportedly has been threatening to pull a military coup against the president whom he helped install in the military uprising, was said to have the support of the Armed Forces.

But the president's spokesman, Press Secretary Teodoro Benigno, kept on saying that the president has the support of the military as Ramos has pledged to support the chief executive. Even the president was quoted as saying that she has her own generals in the Armed Forces.

As there is wide speculation that the military establishment could be drawn into the rift, Ramos has insisted that the Armed Forces remain united, insinuating that they should not take sides in what could be considered a squabble in the political leadership.

In one recent public forum, Ramos, when asked on whom he would support, said cryptically that he would support, "whoever the people support."

Enrile has already made efforts to rally the people to his side by initiating and attending anti-communist rallies on two separate occasions. Participants at both rallies were largely followers of deposed President Marcos who wanted him back in the country.

Counter rallies to support the president have also been organized. It is reported that the Aquino camp has prepared its own "yellow army", since the president and her supporters often wear yellow.

Of late, the U.S. government has sent signals that it supports the Aquino government to the disillusionment of the Enrile camp. But many observers here believe Enrile would also get Washington's blessing because he displays the pro-U.S. stance and particularly a staunch line of supporting the retention of the U.S. military bases in the Philippines. Washington might like the president and the defense minister to restrict each other to attain a certain parity between them.

So far the president has reportedly been confident of her government's stability. Benigno asserted that whatever happens to the new government, President Aquino will survive it. "Nobody comes close to challenging her position. She remains the center of gravity," he said.

PAKISTANI SENATE CHAIRMAN DISCUSSES PRC VISIT

OW310808 Beijing XINHUA in English 0754 GMT 31 Oct 86

[Text] Islamabad, October 31 (XINHUA) -- Chairman of Senate of Pakistan Ghulam Ishaq Khan said that Pakistan and China believe in principles of peace co-existence and are striving hard for peace in the region and the world as a whole.

He made these remarks at a meeting with Chinese Ambassador Wang Chuanbin here yesterday.

Ishaq Khan will lead a 15-member Pakistan parliamentary delegation to visit China from November 2 to 10.

The chairman said that his forthcoming visit to China would further strengthen the time-tested friendly relations between the two countries.

He said that the exemplary relations between Pakistan and China are centuries old and not directed against anyone.

Meets CPPCC Official

OW030830 Beijing XINHUA in English 0819 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Yang Chengwu, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met here today a delegation from the Pakistan Senate led by Ghulam Ishaq Khan, chairman of the Pakistan Senate.

Yang expressed his welcome to chairman Ghulam Ishaq Khan and conveyed to him the welcome to the delegation by Deng Yingchao, chairperson of the CPPCC National Committee.

Yang said the friendship between China and Pakistan had stood the test of history and hoped that this friendship would continue to grow.

The two sides briefed each other on their own countries' political and economic situation.

Ishaq Khan said he believed that his visit would increase bilateral understanding and cooperation.

The delegation arrived here yesterday at the invitation of the CPPCC National Committee.

Honored at Banquet

OW031530 Beijing XINHUA in English 1445 GMT 3 Nov

[Text] Beijing, November 3 (XINHUA) -- The National Committee of the Chinese People's Political Consultative Conference (CPPCC) gave a banquet for a delegation from the Pakistani Senate led by its chairman, Ghulam Ishaq Khan, here tonight.

Speaking at the banquet, both Vice-Chairman of the CPPCC National Committee Yang Jingren and Ishaq spoke highly of the increasing friendship between China and Pakistan.

Yang said the Pakistani people, under the leadership of President Ziaul Haq, have made significant achievements in safeguarding national independence, promoting the democratic process and developing the national economy. The Chinese people heartily rejoice over their achievements, he added.

In international affairs, he said, Pakistan pursues a policy of independence, peace and nonalignment, and has made positive contributions to maintaining peace and stability in South Asia and the world as a whole.

He said Ishaq's current visit would expand the scope and content of friendly relations and cooperation between the CPPCC and the Pakistani Senate.

In reply, Ishaq said friendship with China is one of the cornerstones of Pakistan's foreign policy.

The common objective of the two countries is the promotion of peace and stability both globally and regionally, and their cooperation is not directed against any third country, he said.

Pakistan and China, he added, have identical views and policies on a number of regional and global issues.

He said he hoped the friendly relations and cooperation would grow constantly in the political, economic, trade and other fields.

Prior to the banquet, Yang met and conversed with the delegation.

Earlier today, CPPCC Vice-Chairman Yang Chengwu held talks with the delegation.

Meets Li Xiannian

OW040838 Beijing XINHUA in English 0830 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Sino-Pakistan friendship will continue to develop in the coming generations as there is no conflict of basic interests between the two countries, Chinese President Li Xiannian said here today.

Li made the remark at a meeting with a Pakistan Senate delegation led by Chairman Ghulam Ishaq Khan at the Great Hall of the People.

Li and Ishaq agreed that Sino-Pakistan friendship and cooperation have enjoyed great development since the establishment of diplomatic relations as shown in the increase of visits by state leaders and friendly exchange between the peoples.

Ishaq said both Pakistan and China have abided by the five principles of peaceful coexistence and there exist no problems between them. "We hope our friendly relations of cooperation will continue," Ishaq added.

Li and Ishaq also exchanged views on international issues of common interest.

Present on the occasion were Yang Jingren and Yang Chengwu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

ITALY'S CRAXI ENDS VISIT, DEPARTS FROM SHANGHAI

OW021330 Beijing XINHUA in English 1311 GMT 2 Nov 86

[Text] Shanghai, November 2 (XINHUA) -- Italian Prime Minister Bettino Craxi and Anna Craxi left Shanghai this afternoon concluding their official visit to China.

They were seen off at the airport by Jiang Zemin, Mayor of Shanghai, and Wang Tao, head of the Reception Committee and minister of petroleum industry.

Craxi and his wife arrived here from Xian earlier today by special plane after visiting a museum for public display of hundreds of life-size terracotta horses and armoured warriors being excavated from locations near the tomb of Qin Shi Huang, the founder of the Qin Dynasty, China's first feudal dynasty.

After the visit, Craxi made an entry on the visitor's book describing the more than 2000 year old terracotta horses and armoured warriors as the most outstanding artistic wonders in human history.

Mayor Jiang gave a banquet here tonight in honor of Foreign Minister Giulio Andreotti and his wife who accompanied Craxi on the visit. The guests will leave here tomorrow.

BELGIAN MINISTER OF COMMUNICATIONS VISITS BEIJING

OW021408 Beijing XINHUA in English 1328 GMT 2 Nov 86

[Text] Beijing, November 2 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, feted Herman de Croo, Belgian minister of communications and foreign trade, and his party here tonight.

The Belgian guests arrived here earlier today at the invitation of the Chinese minister. They will discuss bilateral economic and trade issues with their Chinese counterparts and participate in celebrations of the 15th anniversary of the establishment of diplomatic ties between the two countries.

Meets With Zheng Tuobin

OW030826 Beijing XINHUA in English 0748 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, held talks with Herman de Croo, Belgian minister of communications and foreign trade, and his party here today.

The two sides reviewed the development of cooperation between China and Belgium in economic cooperation and trade since the two countries established diplomatic ties in 1971.

Sources disclosed that bilateral trade volume in 1985 reached more than 300 million U.S. dollars, which is 13 times that for 1971.

Both sides shared the view that bilateral economic and trade cooperation is expanding and China and Belgium are now conducting varied forms of cooperation in electric equipment, power industry, telecommunications, chemical industry and textile machinery and other fields.

Loan Agreement Signed

OWO31322 Beijing XINHUA in English 1302 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) — A 1986 loan agreement between the governments of China and Belgium was signed here today.

Under the agreement, the Belgian Government will provide the Chinese Government with interest-free loan for China's light, medical as well as chemical industrial projects.

Vice-Premier Wan Li attended the signing ceremony.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Belgian Minister of Communications and Foreign Trade Herman de Croo signed the agreement for their respective governments.

Earlier, Wan Li met Herman de Croo and his party. They expressed the hope for further enhancing bilateral economic and technological cooperation.

SONG JIAN MEETS BELGIAN SCIENCE POLICY OFFICIAL

OWO30900 Beijing XINHUA in English 0843 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) — Chinese State Councillor Song Jian met a Belgian delegation led by Louis Brill, secretary of state for scientific policy, here today.

During their conversation, the two sides reviewed the progress made in scientific and technological cooperation between China and Belgium.

Song, who is also minister in charge of the State Science and Technology Commission, said he hoped Brill's current visit would help expand bilateral cooperation in this field.

Brill is also scheduled to attend an inauguration ceremony for the installation of wind-driven generators in east China's Fujian Province, a project built with Belgian assistance.

SWISS FOREIGN MINISTER TO VISIT 11-16 NOV

OW310908 Beijing XINHUA in English 0820 GMT 31 Oct 86

[Text] Bern, October 30 (XINHUA) — Pierre Aubert, vice-president of the Swiss Federal Council and chief of the Foreign Affairs Department, will visit China from November 11 to 16, the Swiss Government announced today.

The visit, which was originally scheduled for October but delayed because Aubert was ill, will be above all "political," said Alfred Ruegg, head of the Political Division of the Foreign Ministry. However, "economic affairs will not be neglected," Ruegg added.

While in Beijing, Aubert's first stop for three days, the Swiss foreign minister and his Chinese counterpart, Wu Xueqian, will discuss multilateral and bilateral policies with the aim of "improving bilateral exchanges which are already excellent," Ruegg said.

Aubert will also meet with Chinese President Li Xiannian and Prime Minister Zhao Ziyang and tour Nanjing and Shanghai before leaving for Hong Kong.

ZHAO ZIYANG MEETS FRG BANKER CHAIRMAN IN BEIJING

OW011705 Beijing XINHUA in English 1541 GMT 1 Nov 86

[Text] Beijing, November 1 (XINHUA) -- Chinese Premier Zhao Ziyang expressed the wish here today that the Federal Republic of Germany's Deutsche Bank and the Bank of China will continue their cooperation, "which has been going on smoothly for the past 30 years and more."

He added, "Such cooperation has promoted the economic relations and trade between the two countries."

Zhao made these remarks at a meeting with Hermann J. Abs, honorary chairman of the Deutsche Bank, here this evening.

Zhao paid tribute to the bank's role in helping the Bank of China enter the capital market of the Federal Republic of Germany.

He said that China, which is now improving its environment for foreign investment, welcomes Federal German entrepreneurs to invest in China. He hoped that the Deutsche Bank would use its influence in this regard.

He also told Abs that financial reforms have become more and more important in China's economic reforms, but China lacks experience in this area and the levels of its management and the competence of its personnel are not up to the requirements.

Abs told the premier that his bank is willing to help China in this area.

FRENCH PRESIDENT, PREMIER MEET OUTGOING ENVOY

OW310144 Beijing XINHUA in English 0116 GMT 31 Oct 86

[Text] Paris, October 30 (XINHUA) -- French President Francois Mitterrand expressed hopes of promoting French-Sino relations when he met with Chinese Ambassador Cao Keqiang at the Presidential Palace here today.

Cao Keqiang is finishing his term as ambassador.

The French president said France and China share common interests and the same views in international affairs, thus relations between them can be further developed, and both can contribute to the maintenance of world peace.

Earlier last Thursday, French Prime Minister Jacques Chirac met with Cao at his office.

The French Government will take measures to promote economic cooperation and trade exchange, Chirac said, adding that France hopes to become an important European partner of China.

Cao Keqiang met earlier with French Senate president, Alain Poher, president of the French Communist Party, Georges Marchais, and first secretary of the Socialist Party, Lionel Jospin.

XINHUA ANALYZES ALBANIAN PARTY POLICIES

OW011739 Beijing XINHUA in English 1616 GMT 1 Nov 86

["News Analysis: Albanian Party Congress To Stick to Hoxha's Road (by Wang Hongqi)" -- XINHUA headline]

[Text] Tirana, November 1 (XINHUA) -- Monday's Ninth Congress of the Albanian Labor Party is expected to be faithful to the policies of its late leader Enver Hoxha, although it is likely the new leaders's attempts to stimulate the economy will be approved.

Observers here believe that economic affairs will be a major topic on the agenda of the congress, the first since Ramiz Alia took over as the party's first secretary last April.

A draft plan for Albania's economic development in 1986-90 published earlier this year shows that the party's basic economic policy has not changed, although main targets are slightly lower than in the previous five-year plan.

Alia has emphasized economic development and higher living standards since he assumed the party's top office.

He has tried a new wage system in some industrial sectors, raised prices for farm produce, encouraged peasants to produce more livestock and vegetables and reopened farm markets to improve the food supply.

The National Party Congress will adopt the new five-year plan and likely approve Alia's economic moves.

Trying to improve its international economic base, Albania has developed relations with foreign countries in the last 18 months.

It has expanded trade with Greece, France, Italy and East European nations as well as established diplomatic relations with Spain. There have been several discussions with Great Britain and Federal Germany on normalizing relations.

However, Albania's basic foreign policy remains unchanged. Alia has repeatedly declared that he will "firmly" maintain Hoxha's policy, stressing that his country will "never" have any kind of relationship with the United States or the Soviet Union.

Observers here predict that the week-long party forum may pledge the party's loyalty to Hoxha's political line.

HUNGARIAN SCIENTIST LAUDS PRC ECONOMIC REFORM

OW030736 Beijing XINHUA in English 0654 GMT 3 Nov 86

[Text] Budapest, November 3 (XINHUA) -- After his recent visit to China, the president of the Hungarian Academy of Sciences, Ivan Berend said in an article that Chinese economic reform is successful. The article was carried in the ninth issue of the Hungarian monthly VILAGOSSAG.

Chinese economic reform, the second revolution in China, influences not only economic development, but also politics, science, education and other fields, he said.

China stressed the importance of learning from 30 years of Hungarian economic reform, he added.

By implementing the family contract system under which a family operates as a production unit, China has improved in agriculture, he said, adding that China has now become a food exporting country.

At present, the specialized households are playing an increasingly important role in agricultural development.

But the level of China's agricultural mechanization is not very high, he pointed out.

The policy of opening to the outside world plays a decisive part in Chinese economic strategy. China needs to import technology and foreign managerial skills.

The progress of the past seven years indicates Chinese reform is successful showing improvement in food supply, the export of agricultural and sideline products, the increase of productivity and the increased standard of living.

RADIO, TV DELEGATION ARRIVES IN YUGOSLAVIA

OWO21325 Beijing Domestic Service in Mandarin 0400 GMT 31 Oct 86

[Text] At the invitation of the Yugoslav Radio and Television Organization, a Chinese radio and television delegation led by Ai Zhisheng, minister of radio, cinema and television, arrived in Belgrade on 30 October for a week-long visit to Yugoslavia.

Svetozar Durutovic, Yugoslav federal secretary for information; Dragan Markovic, chairman of the executive committee of the Yugoslav Radio and Television Organization; and Xie Li, Chinese ambassador to Yugoslavia, welcomed the delegation at the airport.

During the visit the delegation will hold talks with the Yugoslav Radio and Television Organization on further cooperation in radio and television between the two countries and sign relevant cooperation agreements.

LCY OFFICIAL MEETS CPC WORKERS DELEGATION

OWO21359 Beijing XINHUA Domestic Service in Chinese 0757 GMT 1 Nov 86

[Text] Belgrade, 31 Oct (XINHUA) -- Ugljesa Uzelac, executive secretary of the Presidium of the Central Committee of the League of Communists of Yugoslavia [LCY], today met here with the visiting delegation of Chinese party workers headed by Lu Chuanzan, deputy secretary of the Hebei Provincial CPC Committee. He held cordial talks with the delegation.

The delegation of Chinese party workers was in Yugoslavia for an 8-day friendly visit at the invitation of the LCY Central Committee Presidium. The delegation visited shipyards, ports, and aluminum plants in the republics of Croatia, Bosnia-Herzegovina, Montenegro, and Serbia. They were accorded a warm and cordial reception.

The delegation left Belgrade for home today.

PRC LEADERS GREET NEW MOZAMBIKAN PRESIDENT

OW041115 Beijing XINHUA in English 0927 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chinese Communist Party leader, Hu Yaobang, and Chinese president, Li Xiannian, today sent a message congratulating Mozambique's new President Joaquim Alberto Chissano.

Chissano was elected yesterday Mozambique's president and president of the ruling party, the Mozambique Liberation Front.

The two Chinese leaders said they were confident that under Chissano's leadership, the people of Mozambique will overcome their temporary difficulties and make even greater achievements in defending their national sovereignty, developing their economy and building their country.

The Chinese Communist Party and government will "continue to support the the Mozambican people's just cause" and strive to further develop bilateral relations, Hu and Li said.

KENYAN PRESIDENT INSPECTS PRC-AIDED ARENA

OW011926 Beijing XINHUA in English 1909 GMT 1 Nov 86

[Text] Nairobi, November 1 (XINHUA) -- Kenya President Daniel Arap Moi this afternoon inspected the Chinese-aided Kenyan National Sports Complex, the main venue for the fourth All-African Games to be held here next August.

President Moi was accompanied by chairman of the Kenya Commercial Bank Benjamin Kipkorir, chairman of the Kenya Airways Leo Odero, chairman of the Kenya Industrial Estates Sam Ongeru and chairman of the Kenya Industrial and Commercial Development Corporation William Ole Ntimama. Chinese Ambassador to Kenya Wei Yongqing and director of the Chinese Experts team Wang Jingzhi were also present.

Moi listened attentively to the introduction about the progress in construction of the stadium and praised the Chinese experts and their Kenya colleagues for their "hard work."

Moi was satisfied when Director Wang told him that the stadium will be completed by next April, four months ahead of the scheduled opening of the All-Africa Games.

The stadium, with a seating capacity of 60,000, is the biggest and best in Africa south of the Sahara. Its construction began in 1983 under an agreement signed between China and Kenya in September 1980 when President Moi visited China.

According to the agreement, the Chinese Government agreed to offer interest-free loan to help Kenya build the sports complex which includes a stadium, a gymnasium, a swimming pool and a hostel for athletes.

The whole complex is located in Kasarani, 18 kilometers northeast of downtown Nairobi.

The fourth All-African Games will be held in Nairobi from August 1 to 12 next year. The previous one took place in Algeria in 1978.

SHANGHAI BEGINS FIRST PRC-CANADA JOINT VENTURE

OW010044 Beijing XINHUA in English 1625 GMT 31 Oct 86

[Text] Shanghai, October 31 (XINHUA) -- The Shanghai Gaoqiao-Polysar Company Ltd, the city's first Sino-Canadian joint venture, officially opened here following a ceremony yesterday.

The company is jointly run by the Gaoqiao Petrochemical Corporation of Shanghai and the Polysar Company of Canada.

The company will introduce Polysar's techniques of producing butadiene-styrene capsules.

As a result, Gaoqiao will see a fourfold increase in output, an official from the company told XINHUA, and this will help China reduce its imports of the product.

The term of cooperation is 15 years, according to the project agreement.

MEXICO ANNOUNCES PRESIDENT TO VISIT PRC, JAPAN

OW021008 Beijing XINHUA in English 0802 GMT 2 Nov 86

[Text] Mexico City, November 1 (XINHUA) -- President Miguel de la Madrid will visit the People's Republic of China and Japan from November 26 to December 11, the local press reported today.

The reports said the aim of the Asian trip is to tighten trade bonds with the two nations, with economic issues as principal topics.

The reports said that Mexico also tries to attract Chinese capital and encourage bilateral economic plans that would benefit both countries.

The main purpose of the visit to Japan is to reach agreement on joint investment in industrial projects and invite Japanese enterprises to participate in Mexican manufacturing industries.

The visit to Japan was originally planned for October 1985, but was postponed for a year because of the tragic earthquake that shook Mexico on September 19 last year.

WANG BINGQIAN MEETS MEXICAN TREASURY OFFICIAL

OW311216 Beijing XINHUA in English 1137 GMT 31 Oct 86

[Text] Beijing, October 31 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, met here today Francisco Suarez Davila, Mexican under-secretary of the treasury, and his party.

The two sides discussed further development of cooperation between the two countries in various fields.

Mexican Ambassador to China Eugenio Anguiano attended the meeting.

HONGQI EDITORIAL COMMEMORATES LONG MARCH

HK311507 Beijing HONGQI in Chinese No 20, 16 Oct 86 pp 6-8

[Editorial: "Carry Forward the Red Army's Spirit of Arduous Struggles in the New Period -- Commemorating the 50th Anniversary of the Red Army's Victory of the Long March"]

[Text] The 50th anniversary of the Red Army's victory of the Long March falls in October this year. Earth-shaking changes have taken place in China over the past 50 years. China is now thriving and is becoming more prosperous every day. China has also scored great achievements in socialist modernization. The party Central Committee recently adopted a resolution to further strengthen the building of the socialist spiritual civilization. Under this kind of excellent situation, it is of special significance to look back on and commemorate the Long March.

The Long March carried out by the Chinese Workers' and Peasants' Red Army 50 years ago was a great heroic epic that impressed the whole world. Under extremely perilous conditions, the Red Army left its original base area, carried out a great strategic shift, made a long drive of 25,000 li, swept through the length and breadth of over 10 provinces, smashed the sieges and interceptions conducted by hundreds of thousands of pursuing enemy troops, crossed untraversed snow mountains and marshy grasslands, surmounted numerous difficulties and hardships, and finally reached the frontline to resist Japanese aggression, thus winning the victory of the Long March. This magnificent, historic feat laid down solid foundations for the victory of the Chinese revolution. The exploits of the Long March and the illustrious name of the Red Army will shine through the ages and will go down in history forever and ever.

So what are the reasons for the Red Army's victory of the Long March? The most important point is that to realize the lofty ideal of communism, Chinese Communists and the Chinese Workers' and Peasants' Red Army did not fear difficulties and sacrifices, was firm and indomitable, and kept on fighting in spite of all setbacks, thus giving full play to the spirit of arduous struggles. Nie Rongzhen, a leader of the Long March, said: "Our craving to realize the ideal of liberation and our will to wage arduous struggles helped us surmount numerous hardships and dangers." ("The Memoirs of Nie Rongzhen," Vol I, p 235). We now describe the current socialist modernization as "the new Long March." This shows that we regard today's undertaking as a continuance of the Long March carried out 50 years ago, and that we regard the two marches as two stages and links in the course of achieving the goals of communism under the leadership of the CPC. We also regard the spirit that led to the victory of the Long March as an important spiritual pillar for victoriously conducting our socialist modernization. In commemorating the Long March, we must integrate new historical conditions with old ones, carry forward the fine traditions of our party and our Army, and turn such fine traditions into powerful driving forces for promoting our socialist modernization.

Conditions were difficult 50 years ago and it was necessary to wage arduous struggles. Today's conditions are very different from the conditions then. Is it still necessary to wage arduous struggles? People have not yet reached unanimity of views on this question. In some people's opinion, since the aim of the development of production is to raise the people's living standard, the development of commodity economy will require high income, high consumption, and a high level of welfare. In their opinion, the so-called arduous struggles are obsolete practices and belong to "old history."

They think that advocating arduous struggles at present means retrogression and going against the trend of the times. This kind of view is wrong. True, at the time of the Long March, China was a semi-colonial and semi-feudal society, and imperialists, feudalists, and bureaucrat-capitalists vainly tried in every possible way to strangle the revolutionary struggles of the people. Under the conditions of those years, if the Chinese Communist and revolutionaries did not wage arduous struggles, it would undoubtedly be impossible for them to overthrow the old world. China now is a socialist country with the beginnings of prosperity, and the proletariat and working people now have the political power in their own hands. China also has rich material and manpower resources and is unswervingly conducting socialist modernization. Under these conditions, can we cast away the tradition of waging arduous struggles? The answer can only be a negative one. We must not lose sight of the two basic characteristics of our country, namely, having a poor foundation to start with, and saving a very large population. "Poverty" and "backwardness" are still like two great mountains puzzling us. Is it quite evident that this state of affairs can only be changed by unrelentingly carrying forward the spirit of arduous struggles over a long period. Comrade Deng Xiaoping pointed out that "having the pioneering spirit of arduous struggles" is an important "prerequisite" for realizing the four modernizations. He repeatedly stressed: "Ours is a poor country, a great nation. We must make arduous efforts to do pioneering work." "We must always remember that ours is a great nation with a very large population, and that we have a very poor foundation to start with. Only by waging a protracted struggle can we catch up with the developed countries." ("Selected Works of Deng Xiaoping," pp 221, 222, 224) Moreover, we should make the following point: It is not merely because we are poor and backward that we must wage arduous struggles. Even if we become rich and advanced, and become one of the developed countries in the world in the future, we shall still have to wage arduous struggles. Waging arduous struggles is an ideological character of the proletariat and communists and is also a basic requirement for the realization of the cause of communism. If the new generation "does not want to plant trees for the future generation and only wants to rest under the shade of the trees planted by its forefather, there will be no social progress trees planted by its forefathers," there will be no social progress nor will there be any national growth. Of course, in that case, it will be impossible to realize our lofty ideal. Therefore, it is wrong and harmful to have any idea or any practice that despises or even attempts to abandon arduous struggles.

Waging arduous struggles is a spiritual character of the people. Of course, the content and form of this character will change when the times and conditions are changed. Today's advocacy of carrying forward the Long March spirit of arduous struggles is not asking the people to follow the Long March practice of crossing snowy mountains and marshy grasslands and eating grass roots and bark. This advocacy does not mean publicizing the old argument that "poverty gives rise to the desire for revolution" nor does it mean publicizing the argument that the poorer one becomes, the more honor one wins. Poverty is not socialism. Socialism means mobilizing and organizing the masses to wipe out poverty and achieve prosperity through their own efforts. Comrade Mao Zedong pointed out during the Yanan period more than 40 years ago: "It is wrong simply to exhort people in any base area to endure hardship in the bitter struggle without encouraging them to increase production and thereby try to improve their material conditions." ("Selected Works of Mao Zedong," Vol 3, p 867). These words of comrade Mao Zedong are obviously very instructive during the period of socialist construction. Since the 3d Plenary Session of the 11th CPC Central Committee, we have conscientiously drawn lessons in ignoring the development of productive forces and in putting undue emphasis on arduous struggles, correctly handled the relation between accumulation and consumption, and gradually improved the people's material and cultural life on the basis of an uninterrupted development of production. This has become an important principle for promoting our socialist construction. [paragraph continues]

To carry forward the spirit of arduous struggles in accordance with the characteristics and demands of socialist construction, it is most important that the whole party, the whole army, and the people of all nationalities throughout the country set up high aims and lofty aspirations for socialist modernization, foster the spirit of utter devotion to socialist modernization, brave all difficulties, work hard, be bold in opening up new paths, and exert themselves in the struggle for socialist modernization. Our socialist modernization comprises the building of material and spiritual civilizations. As compared with the Long March, socialist modernization is a cause which is more magnificent and complicated. Socialist modernization is a giant creative project which touches upon all fields, spheres, and trades. How are we to build socialism with Chinese characteristics in China, which is economically and culturally backward? Classical works do not offer a ready answer to this question, and other socialist countries do not have any successful systematic experience that we can use. This means that the whole party and people throughout the country must go through the process of exploring and opening up new paths. During this process, there will be many problems and difficulties. In going through this process, if we do not give full play to the indomitable spirit of arduous struggles, we will not be able to attain successes. Comrade Mao Zedong said: "In the operation of socialist undertaking, we must not cherish illusions that there will be no difficulties and setbacks, that there is no need to make great efforts, that everything is always clear sailing, and that it is easy to attain successes." ("Selected Readings From the Works of Mao Zedong," Vol 2, 774). Nurtured by the spirit of the Long March, the Chinese Communists and Chinese people will surely plunge into the great practice of socialist modernization enthusiastically, surmount all kinds of difficulties and obstacles, and win new victories of socialist modernization.

Under the extremely difficult conditions of the Long March, the Red Army experienced innumerable hardships, managed to avoid becoming worn-out, and preserved core members of the party and the Red Army. One of the important reasons for its success is that there was equality between officers and men who shared weal and woe. In both normal times and wartime during those years, communist party members and cadres were the first to bear hardships and charge the enemy lines and the last to enjoy comforts and to retreat. They made things easy for others and gave up their chance of living to others; they volunteered to face difficulties and the threat of death. As a result, the leadership and the rank and file respected and loved each other and were of one heart and one mind, thus forming a steely collective. These things are important contents of the Long March's spirit of arduous struggles. In carrying out socialist construction, we must also carry forward the spirit of cadres and the masses sharing weal and woe and waging arduous struggles. Over the past several dozen years, the great majority of our party members and cadres have done well, preserved and carried forward the spirit of the Long March, wholeheartedly led the masses to go in for socialism, and won respect and praise from the masses.

However, it must be pointed out that the responsible positions given to some party members and cadres by the party and the state have not become honorable posts for serving the people but have become their means of seeking all kinds of privileges. They do not see themselves as public servants who must be supervised by the people but regard themselves as lords and masters who can do whatever they like; they are not concerned with the well-being and the weal and woe of the masses; they just diligently strive after comforts for themselves and for their sons, daughters, and relatives. To seek such comforts, they do not hesitate to commit crimes such as accepting bribes and engaging in speculating swindling. Some party members and cadres, who overcame difficulties and withstood enemy force in earlier revolutionary times, are now morally degenerate in the face of "money" and "power." This is a most profound lesson. After conducting party rectification and striking severe blows at all kinds of criminal activities, we have cleared away and punished a group of party members and cadres of this kind, redeemed a group of redeemable people, and enabled our party style and the general mood of society to take a very favorable turn. [paragraph continues]

However, it is worthwhile to be always on guard against the thinking and behavior that have blasphemed and betrayed the spirit of the Long March. All party members and cadres, especially leading cadres, must remember well, under any circumstances, that the party's essential purpose is to serve the people wholeheartedly. According to the needs of socialist modernization and the expectations of the broad masses of the people, all party members and cadres, especially leading cadres must "plan and worry ahead of the people, and enjoy the fruits after the people," be brave in shouldering heavy loads, be ready to go where conditions are hard, and be models in waging arduous struggles.

The victory of the Long March was won through the Red Army's efforts to mobilize each and every member of the Red Army to walk step by step toward the final destination. Participants in the Long March were forced to walk due to the lack of modern transportation. The walking displayed the Red Army's spirit of working hard and doing solid work in a down-to-earth manner. It is always worthwhile to study and carry forward this spirit, which is needed at all times and is particularly necessary to promote the great cause of socialist construction. Len pointed out: "It is by laying stone by stone the firm foundation of a socialist society." ("Selected Works of Lenin," Vol 3, p 490). Historical experience has proved, and will continue to prove, the following point: Whenever we conscientiously proceed from actual conditions, do what we are capable of, and follow in order and advance step by step, our undertaking will be going on smoothly and will forge rapidly ahead; whenever we are hotheaded, ignore subjective and objective conditions, become impetuous, are prone to boasting and exaggeration, and act rashly, our undertaking will take a roundabout course and suffer serious losses. In carrying out construction and reforms, we must draw on past lessons and experiences, and do solid work step by step, and must never go in for boasting, exaggeration, and formalism. This is also an important aspect of our task of carrying forward the Long March's spirit of arduous struggles in the new period. The party Central Committee has decided on the following two steps to realize the objective of our struggle for promoting China's economic and social development in the next few decades: The first step is that by the end of this century, China will free itself from the state of poverty and will become comparatively well-off; the second step is that by the middle of next century, China's economic level will be close to the developed countries' level. To realize this magnificent objective, it is necessary for several generations to continuously wage arduous struggles. Comrade Hu Yaobang noted: We Chinese people of the 20th century are destined by historical conditions to bear more hardships. We must ungrudgingly make necessary sacrifices for the interests of the masses of the people and for the well-being of our coming generations. We firmly believe that with glorious traditions, the Chinese Communists and the Chinese people will, under no circumstances, disappoint history and their coming generations. They will certainly inspire enthusiasm, display a down-to-earth style of work, avoid empty talk, do more solid work, and make concerted efforts to dedicate all their wisdom and strength to the realization of the magnificent objective of socialist construction.

Today, amid the great upsurge in reform and construction, we are full of intense emotion in commemorating the 50th anniversary of the victory of the Long March. Our objective is clear and definite, and it is an inspiring one. The line of our party is correct. Let the whole party, the whole army, and the people of all nationalities throughout the country carry forward the spirit of the Long March and advance bravely in the course of the new Long March!

MILITARY EXHIBITION FEATURES NEW WEAPONS

HK031420 Hong Kong AFP in English 1315 GMT 3 Nov 86

[Text] Beijing, Nov 3 (AFP) -- China's first international military equipment exhibition is to open here Tuesday, but overseas exhibitors are not optimistic of big sales at a time when Chinese leaders have said they want to reduce military expenditure.

Some 157 exhibitors from 13 countries and Hong Kong are displaying more than 400 different items, either the real thing or models, photos and video recordings at Asiandex 86, which ends November 11. Observers from a further 37 countries, mostly in the Third World, are also attending the exhibition, the organisers said. Journalists toured the exhibition Monday. But overseas exhibitors said they were not optimistic of landing big contracts from the exhibition as China is going through a period of budgetary restraint which has affected military purchases.

Hu Yaobang, general secretary of the Chinese Communist Party, last month reiterated China's determination to cut military expenditure in a bid to accelerate the country's economic development. The exhibition is being held under the auspices of the Beijing Institute for International Strategic Studies and is being jointly organised by the Chinese Council for the Promotion of International Trade and the China Xindaishi Corp., a powerful conglomerate grouping China's major armaments and high technology industries. The exhibiting countries include France, which has the largest stand, Italy whose arms sales to China form an important part of bilateral exchanges, and Britain, West Germany and the United States.

The exhibition has been divided in two areas, one devoted to Chinese and the other to overseas military hardware. New weapons have been unveiled at the China stand in addition to models of the satellite-launching Long March II and III rockets. The new products include the CST-2 torpedo, controlled by an acoustic guidance system and with a range of 13 kilometres (about 8 miles), a model of a nuclear submarine, of which China possesses three or four according to experts, and several surface-to-sea and air-to-air missiles.

Several closed door conferences will be held during the exhibition, dealing with such subjects as armoured cars, aeronautics, electronics, naval technology (covering both surface vessels and submarines) and the effect of technological advances on military strategy and tactics. The British company, Vickers, which is manufacturing armoured cars for the Chinese Army, will take part in a practical demonstration of equipment to be held outside the capital, the organisers said. The capabilities of a French-made laser-guided anti-tank weapon will also be demonstrated, they added.

China has started to trim its armed forces manpower which it hopes to reduce from the 4.2 million recorded in 1984 to just over three million by the end of the year, Western military experts said. The conventional equipment of the People's Liberation Army is generally considered outdated but a lack of funds will mean that China cannot yet afford to provide the three wings of the armed forces with the modern equipment it has been offered by countries such as the United States.

MILITARY CADRES WORK TO STRENGTHEN IDEALS

HK291513 Beijing RENMIN RIBAO in Chinese 24 Oct 86 p 4

[Article by You Taizhong, commander of Guangzhou Military Region: "It Is Necessary To Strengthen Education in Ideals and Discipline Among Leading Cadres"]

[Text] In recent years, as our military region's party committees have taken charge of the building of a socialist spiritual civilization, considerably great effort was applied to handling the education in ideals and discipline. [paragraph continues]

However, in the beginning stage, we often focused attention on grass-root level cadres and young soldiers, and not much attention was attached to leading cadres. Since the party rectification, facts have shown that to do well this education is necessary for all comrades and could be said to be even more so for mid- and high-level cadres holding leading posts.

Based on the actual situation following the readjustment of leading bodies from the division and up in our military region, the political, ideological, and cultural qualities of the majority of comrades are comparatively high, and they were the backbone of the leadership in guiding the troops' building and in completion of all tasks. However, there is also a small number of comrades who, influenced by some erroneous thinking in society and who cared only for their own individual interests as well as those of their units, committed misdeeds in violation of state policies. Some hankered after material comforts and abused their positions for selfish ends; others pursued personal fame and honor and put up a hypocritical front to win their superiors' trust. The emergence of these problems made us realize profoundly that the conducting of education in ideals and discipline among mid- and high-level cadres is a major, fundamental matter in the building of socialist spiritual civilization. Since the second half of last year, we clearly proposed the conducting of education in ideals and discipline among mid- and high-level cadres, notably cadres of Army level and above. We also clearly demanded that during the new historical period, mid- and high-level cadres should pay attention to remolding their outlook on the world and life and set true examples in adherence to ideals and discipline.

In view of the problems that emerged during the new period, the study and mastery of Marxist theories is the prerequisite for the mid- and high-level cadres in their endeavors to build socialism with Chinese characteristics and in their struggle for the party's loftiest ideals. Some mid- and high-level cadres have a weak sense of idealism and discipline, lack the acumen to see through complicated social phenomena, and cannot differentiate among the various newly emerging erroneous thinkings -- this is closely related to their negligence of theoretical studies. To resolve this problem, we organized the mid- and high-level cadres to study repeatedly Comrade Deng Xiaoping's new demand on theoretical studies put forth at the national meeting of party delegates, profoundly comprehend the far-reaching significance of this new demand, and raise their awareness of theoretical studies. As for the contents of study, we emphasized the study of the theories on the rules of social development and reinforced our conviction in the inevitability of communist victory. We studied the theories on the building of socialism with Chinese characteristics and persisted on linking our lofty ideals with the goal of realistic struggle. We studied the Marxist world outlook and methodology in order to improve our capability of identifying the various erroneous thinkings and safeguarding the purity of communism. Everyone deeply realized that the maintenance of communist idealistic steadfastness is inseparable from the awareness of studying and applying Marxist theories.

To closely relate ideology with reality, reinforce the remolding of one's world outlook and outlook on life -- these are the key links in mid- and high-level cadres' endeavors to build socialism with Chinese characteristics and struggle for the party's loftiest ideals. Because they hold leading posts and comparatively great authority, whether to use this power in pursuit of the people's interest or of personal interest reflects two contradictory outlooks on the world and of life. [paragraph continues]

We ask everyone to correctly regard the power on hand from the high plane of outlooks on the world and on life, conscientiously resist the unhealthy practice of abusing power for selfish ends, foster the excellent work style of arduous efforts and wholehearted devotion to public duty, and avoid the tendency to fuss over living conditions and pursue material comforts. We advocate against superficiality and urge performance of more real work, oppose falsehoods and hypocritical acts, adhere to close links with the people, listen to the voices of the people, and overcome the bureaucratic practice of elitism and divorcing oneself from the masses. Practice has proved that how these problems are resolved is immensely important to the leading cadres' formation of a scientific world outlook and revolutionary outlook on life as well as to their adherence to communist ideals.

The bold disclosure of contradictions and the conducting of criticism and self-criticism are vital means of mid- and high-level cadres in their building of socialism with Chinese characteristics and their struggle for the party's loftiest ideals. The courage to expose contradictions and the correct resolution of these contradictions are the impetus for our party's continued development and progress. Only if the leading cadres take the lead in exposing contradictions and conducting criticism and self-criticism can an atmosphere of adherence to principles and not sentiments, adherence to truth and not feelings, prevail in the internal political life of the party.

To learn from the advanced examples from among the people and to continuously absorb political nourishment from the people -- these are the necessary steps needed by the mid- and high-level cadres in their endeavors to build socialism with Chinese characteristics and to struggle for the party's loftiest ideals. Assuming the roles of the leader and educator, mid- and high-level cadres normally have more time to educate the people and very little chance to receive education from the people. Some comrades often remain on the surface and very rarely go deep among the masses. Others consider themselves wiser than the people and do not pay attention to learning from them. Actually, there are not a few advanced examples among the people who, on the question of sticking to ideals and discipline, possess a very lofty spiritual realm and moving tales and who should be admired and emulated by every leading cadre.

"The CPC Central Committee's Resolution on the Guidelines for the Building of Socialist Spiritual Civilization" points out that "it is necessary to strengthen education on socialist democracy, the legal system, and discipline," "use common ideals to motivate and unite the people of all nationalities in the country," and thereby further stresses the important efforts of carrying out education in ideals and discipline on the building of spiritual civilization. The comrades of our troops, notably the high- and mid-level leading cadres, should take the lead and set an example. Grasping well the mid- and high-level leading cadres' education in ideals and discipline would be like taking charge of the dragon's head in troop building; if the dragon's head is full of vigor and vitality, it can spur on the whole dragon, that is, the building of the entire troops. With firm adherence to the party's loftiest ideals and continued obedience of the laws and regulations, the great cause of building the two civilizations and of overall reforms will unremittently surge on.

IMPRISONED OFFICIAL ACCEPTS INHERITANCE

HK040745 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1228 GMT 31 Oct 86

[Text] Beijing, 31 Oct (ZHONGGUO XINWEN SHE) -- With the help of the relevant judicial departments, a certain unit in Shanghai managed to get in touch with Yao Wenyan, who is serving his term of imprisonment.

It asked for his opinion on inheriting his father, Yao Pengzi's money. Yao Wenyuan said he would accept the portion of his father's inheritance belonging to him. It is reported that Yao Wenyuan's mother has received the inheritance.

Yao Wenyuan's father, Yao Pengzi, opened the Writers' House in Shanghai. This business organization was merged into another unit during 1950's. Following the implementation of the policy on joint state-private enterprises, Yao Pengzi received income from the fixed interest paid by the state on the monetary value of his assets for a period of time. He did not receive such income from the second half of 1958 to September 1966, thus accumulating a large amount of income from the fixed interest. Yao Pengzi, who was once concurrently a teacher at the Shanghai Teachers College, died in 1969. Yao Pengzi told his family during his lifetime that he would turn over his fixed interest income to the state.

The RENMIN RIBAO OVERSEAS EDITION carried excerpts from a report published by FALU ZIXUN [LEGAL CONSULTATION] on Yao Pengzi's inheritance. The report said: Yao Wenyuan's mother recently inquired of the relevant units as to whether Yao Pengzi had formally applied during his lifetime to turn over his fixed interest income to the state. She said that she would like to inherit Yao Pengzi's fixed interest income if Yao had not made such an application. After making an investigation, it was found that Yao Pengzi had not made such an application during his lifetime. According to the relevant policy, family members of late industrialists and businessmen can ask to receive fixed interest income and such income can be restored to them.

Yao Wenyuan is one of the legal inheritors of Yao Pengzi's property. He discussed the following three points in prison regarding the inheritance: 1) Under the historical conditions of the Cultural Revolution, it was right for his father to turn over his fixed interest income to the state. Now his mother and younger sister had asked for his father's inheritance. Yao Wenyuan requested that his mother and younger sister's demand be met in accordance with inheritance law. 2) Yao Wenyuan had not thought about inheriting the money. Although he has not done his duty by supporting his mother for a long time, his family members have visited him. He asked to receive the portion of his father's inheritance due to him. 3) According to Yao Wenyuan, while he is serving his term of imprisonment, the portion of his father's inheritance due to him should be handled by his wife on his behalf, and should be used to cover various expenses such as family visits to him, his wife's illness, and his children's tuition.

It is reported that the relevant unit has passed Yao Wenyuan's opinion to Yao's wife and younger sister. They said the inheritance would be collected by Yao's mother.

LI PENG, OTHERS VISIT BEIJING TRADE FAIR

OW021125 Beijing XINHUA Domestic Service in Chinese 1132 GMT 1 Nov 86

[By reporter Cui Lisha]

[Excerpts] Beijing, 1 Nov (XINHUA) -- Products produced under comprehensive management by water conservancy and electric departments throughout the country proved to be very popular at a trade fair held in the Agricultural Exhibition Hall in Beijing. About 300,000 people visited this 2-week trade fair, with the sales volume reaching 2.95 million yuan and the volume of orders, 2.18 million yuan. The trade fair closed today. Li Peng, Wang Bingqian, and other party and state leaders visited the trade fair and wrote inscriptions. [passage omitted] Products developed through comprehensive utilization of pulverized fuel ash, such as artificial marbles, light-weight piping heat-preservation bricks, plastic pipes, and refractory bricks drew the people's interest.

NONGMIN RIBAO ON 'WENZHOU MODEL,' POLICY ISSUES

HK031143 Beijing NONGMIN RIBAO in Chinese 11 Oct 86 pp 1, 2

[Article by Zhang Gensheng (1728 2704 3932), Yu Mingtao (0060 2494 3447), Du Ruiyun (2629 3843 7189), and Yu Guoyao (0151 0948 5069): "The 'Wenzhou Model' and Several Policy Questions"]

[Text] [Editor's note] In recent years, soaring progress and development have occurred in the township and town enterprises in our country. The important status and role of township and town enterprises in the rural economy and in the whole national economy have been increasingly demonstrated daily.

In the development of township and town enterprises, Suzhou of Jiangsu Province, Zhujiang San-jiao Zhou of Guangdong Province, Wenzhou of Zhejiang Province, Fuyang region of Anhui Province, and the Longfong region of Hebei Province have all, based on their respective actual conditions, created varying models of development. In January and August this year, the Rural Policy Research Office of the CPC Central Secretariat and the Rural Policy Research Office of the CPC Central Secretariat and the Rural Development Research Center of the State Council organized comrades of the relevant units to separately make intensive investigations of township and town enterprises, and their development, in these cities and regions. Beginning with today's issue, this paper will continue to supply the readers with these investigation materials.

In Suzhou and the Zhujiang San-jiao Zhou region, the development model mainly takes township and village industry as the center; in Wenzhou and the Fuyang region, the development model mainly takes family industry as the center; and in the Longfong region, the development model principally revolves around the township, village, joint-household and household-run units as the four wheels. All these development models have in their respective places taken root, blossomed, and borne fruit.

These development models are all creations of the populace of the respective localities based on actual local conditions. They are good for study and reference purposes by various localities, but the various localities all have their own conditions. They must start from their actual conditions and cannot copy others exactly. Economic activities are confusing and complex. Diversified development models can all be studied, probed into, and generated, very much like the proverbial "eight fairies crossing the sea, each with his or her own magical talents." Our introduction of these several development models to the public is only the beginning. We believe that in the not distant future, more development models, rich in creative spirit, will make their appearance and push the all-round development of township and town enterprises. [end editor's note]

I. Enormous Changes in Wenzhou's Rural Economy in Recent Years [subhead]

1. High-speed increase in output value of industry and agriculture in rural villages and great development in rural commodity economy. In 1978, the output value was 660 million yuan; in 1985, it was 3.272 billion yuan, an increase of 495 percent. Of this, the development of 133,000 family industries and joint-output value comprised over 60 percent of the industrial output value of the rural villages. [paragraph continues]

Throughout the city there are 415 large and small specialized markets, 10 of which have reported an annual transaction volume of around 80 million yuan. In 1985, the volume of transactions in country fair trade in market towns was 1.06 billion yuan, 57.28 percent of the volume of commodity retail sales of society.

The fixed assets of rural industries have enjoyed a relatively great development. In the whole city, they amounted to 780 million yuan (not including those of family-owned factories). This was larger than the fixed assets of state-run enterprises, which amounted to a little over 600 million yuan. The main portion of the capital funds was raised by the populace themselves, while a portion was financed by loans.

2. Transformation from an agricultural-type property structure to an industrial-type property structure. In 1978-1985, of Wenzhou's output value, that of the planting trade dropped from 64.4 to 25.3 percent, while that of industry and its sidelines grew from 17.4 to 65.3 percent.

3. Changes in the structure of rural labor power. In 1978, of Wenzhou's labor power of 1.8 million people, 1.6 million, or 88.8 percent, engaged in the planting trade. Of the 1985 labor power of 2.1 million people, only 0.6 million people, or 28.5 percent, engaged in agriculture; in 1978, only 0.2 million people, or 11 percent, engaged in secondary or tertiary industry, but in 1985, their number grew to 1.3 million people, or 61 percent. Rural labor power changed from a serious surplus to a current insufficiency. In only several years' time, the problem of finding employment for the surplus labor power of 0.83 million people was solved. From 1978 to 1985, employment was found for 142,000 people. Aside from finding jobs for the local labor power, a portion of the labor power of outside territories also flowed in, but the government was not required to find employment for them.

4. With the development in the expanded circulation and production of commodities, a 100 percent increase in tax payments to the state. In 1985, tax collection in Wenzhou City amounted to 457 million yuan, an increase of over 100 percent over the 197 million yuan collected in 1983. In 1985, the 10 large special markets and the production bases alone created tax revenues of 74.5 million yuan, which was 250 percent of the city's total financial revenues in 1976. The three market places of Jinxiang, Yishan, and Qianku of Cangnan County alone yielded 71 percent of the tax revenues of the whole county, while the tax yield of Liushi District of Yueqing County amounted to 60.8 percent of the total tax revenues of the county. The tax revenue in 1984 of Aojiang Town, a newly risen market place of Pingyang County, was equivalent to the total amount of tax collections over 30 years after liberation.

5. Poor peasants beginning to step on the road of affluence. The per capita annual income in the rural village rose from 69.92 yuan in 1978 to 447 yuan in 1985, an increase of 540 percent. In the coastal region with a developed commodity economic and a population of 2 million people (making up one-third of the total population of Wenzhou City), the people's income has caught up with that of people in the rich Hang-jia-hu region. In Qiaotou town, 80 percent of the residents belong to households of an annual income of 10,000 yuan.

6. Great development in city and town construction, and speeding up in the urbanization of rural villages. Since 1983, organizational towns grew from 23 to 84. [paragraph continues]

The towns undertook construction in waterworks, streets, market places, public parks, movie theaters, and so forth. The construction in changing the former appearance of the towns was mostly financed by the people raising the necessary funds. Longgang town of Cangnan County alone, in a little over a year's time, raised 130 million yuan to build a new town. For the purpose of rebuilding old towns and building new ones, the various counties of the city have raised a total of 600 million yuan. In the rural villages, an increasing number of "large households" and family industrial and commercial units have migrated to the cities and towns. In the Qianku district of Cangnan County alone, over 300 households moved to the newly built Longgang Town to settle there. Of the 4,000 households sanctioned to settle in Longgang Town, over 1,000 were various kinds of "people of talents."

II. Wenzhou Has Taken a Road, With Its Own Characteristic, of Developing Rural Commodity Economy [subhead]

The great changes in recent years in Wenzhou's rural villages have attracted people's attention. Relevant departments in charge at various levels from the central government, provinces, and towns and theoretical workers have separately come to Wenzhou to carry out investigation and research. They have written voluminous investigation reports. In the discussions on the road of development of Wenzhou's rural commodity economy, many people mentioned the so-called "Wenzhou Model" as being different from the "Sunan Model." At present, there are still different views on the "Wenzhou Model" and its evaluation; these will have to depend on further discussions from now on. However, the road and the characteristics of Wenzhou's development of the rural commodity economy are in general clear. In the following, we offer our views for your reference. They have been compiled following investigations made in Wenzhou and summing up the views of several sides (including several investigation reports, essays, the articles).

1. Special Features of the Road of Development of Wenzhou's Rural Commodity Economy [subhead]

Wenzhou City has nine counties and two districts under its administration. It has a total area of 11,700 square kilometers, a population of 6.2 million, 2.9 million mu of cultivated land, and an average per capita cultivated land of 0.46 mu. In recent years, commodity economy has rapidly developed along six coastal counties (Yunghia, Yueqing, Pingyang, Ruian, Cangnan, and Quhai) of a population of some 2 million people. The so-called "Wenzhou Model" is mentioned on the basis of the changes in these areas in recent years.

Wenzhou is based on the development of family industries to realize the transformation from a natural to a commodity economy and from the agricultural to an industrial-type structure. The rise and development of Wenzhou's family industries consisted mainly of three parts: A) Family industry; B) Specialized markets based on market towns; and C) A contingent of 100,000 purchasing and marketing personnel. These are separately introduced below:

A. Family Industry.

In recent years, Wenzhou's family industry has grown from scratch, and from few, to many. [paragraph continues]

The development has been rapid. The products are mostly petty commodities indispensable to people's livelihood but which large factories are unwilling to produce and also the multifold kinds of commodities which the state planning departments and state-run enterprises have been unable to produce in satisfaction of the ever-changing demands of the masses. The special features of Wenzhou's family industry are as follows: A) Producing mainly small and petty commodity. Numerous varieties, including buttons, badges, plastic flowers, plaited baskets, signboards, plastic and leather footwear, zippers, apparels, and so forth. B) Transforming discarded materials into treasure through the use of simple equipment and raw materials comprising mainly surplus and discarded materials of large plants, and refraining from fighting for raw materials with state-run factories. C) Engaging in specialized production. A definite degree of division of work and cooperation, such as regenerated spinning and weaving, which is divided into selection of raw materials (by color, quality), blooming, spinning, weaving, sewing, embossing, and so forth, known as "small in scale; large in cooperation," that is, using the family in small-scale operation and carrying out specialized cooperation and production. D) Short production period of products and rapid changes in products. For example, the development of products in Yishan District has taken the form of developing from regenerating native cloth, regenerating acrylic fibre clothings, patching children's apparel, and so forth to manufacturing carpets, lace, and printed bulk yarn; Qiaotou Town has developed from making plastic flowers, buttons, and folders to making zippers and apparel. 2) Determining production by sales, collecting market information from various localities, and carrying out production according to market needs. Wenzhou's family industry has followed the unceasing market changes. In order to improve its competitive ability, it has to expand the production scale and improve the technological level and quality of products. As a result, an increasing number of relatively large-scale private enterprises has emerged, particularly a large number of joint enterprises. This is the inevitable trend of economic development.

B. Specialized market places based on market towns.

Wenzhou's specialized markets and family industry are closely related together, supporting and depending on each other. This is a special characteristic of Wenzhou's rural commodity economy. The Wenzhou market has the following characteristics: A) Speciality. The various markets have their own characteristics. Among them, the specialized markets are 120 in number. Ten of them are nationally well-known such as the button market of Qiaotou Town of Yungjia, the Lihsi electric wares market of Yueqing County, and the Wuyen grain market of Wu Yen Town of Quhai County. B) Each specialized market has a relatively complete assortment of varieties and sources of materials. For example, the button market has a congregation of the products of some 300 button plants of the county, the province, and the whole country, there being over 1,200 varieties of products. In Qiaotou Town, it is possible to obtain all varieties of buttons produced throughout the country. For another example, at the Baixiang building materials specialized market, all kinds of building materials are available. Purchasing the building materials for a residence worth 50,000 to 100,000 yuan takes only half a day for a full assortment of the required materials. C) Prices entirely opened up and liberalized. Prices in the markets are all free negotiated prices. D) Petty commodities, large markets, and wide dimensions of the markets. Wenzhou's markets have a marked difference from markets in other places. This is, transactions in some of the markets are not confined to Wenzhou locality alone but are extended to the whole country. Sales penetrate into 29 provinces and municipalities. As a result, the trade volume is enormous; the volume of transactions of the Lihsi electric wares market is nearly 500 million yuan. [paragraph continues]

E) Integration of shop and market, being both a marketing place and a production base. Many of the enterprises have a shop in front and a factory behind; some are both stores and plants, transacting business when there are no customers and carrying out production as usual when there are no customers.

C. A contingent of 100,000 purchasing and marketing personnel

Wenzhou's peasants carry the tradition of engaging in commerce and in the handicraft industry. The contingent of 100,000 purchasing and marketing personnel consist mostly of people who have been to various parts of the country serving as handicraft people, peddlars of wares, or flufflers of cotton, or working as stonemasons or cobblers. They have wide experiences, broad knowledge, extensive views, and are rich in social knowledge. The development of family industry and the formation of specialized markets are indivisible from their activities and their spirit of daring to open up. The development of Wenzhou's rural commodity economy has changed these handicraft people, purchasers, and salesmen, who had wandered everywhere, into organizers of the production enterprises of the localities. Professor Fei Xiaotong, when making an investigation in Wenzhou, made an all-round study of the development process of these people. He believed that at the earliest these people had been wandering craftsmen selling their handicrafts, that is, so-called engaging in labor export; afterward, they brought back foreign commodities to their hometowns to sell, thus becoming merchants; subsequently, they produced their own commodities, going elsewhere to buy raw materials and selling their products and thus becoming purchasing and marketing personnel; finally, they developed to the stage of signing sales contracts with various localities, bringing the orders home for distribution to various households for production, thus becoming brokers between the neighboring communities. They even proceeded further to make use of loans or prepayments in support of production in outside localities, thus becoming organizers of production and marketing between localities. The experience and careers of these people duly reflect the process of development of the commodity economy.

The products of Wenzhou's family industry basically do not belong to the sphere of control under the state plan, but all along their production has been self-arranged on the basis of market conditions by the various production units. In other localities in the country, reports of conditions of stockpiling and stagnant sales of commodities have frequently circulated but this has seldom been the case in Wenzhou, where problems of stockpiling of goods in warehouses have been nil. This is because they have followed the practice of determining production by sales and turning to production only upon receipt of orders. Of the salesmen of certain township and town enterprises in other localities, many habitually run around the enterprises seeking purchases orders subsequent to production, whereas in Wenzhou many of the purchasing and marketing personnel usually open up the marketing channel first prior to undertaking production and serve as liaison people giving orders to production. The city's purchasing and marketing personnel perform the tasks of supplying information, purchasing raw materials, signing contracts for the supply of commodities with units in outside areas, and pushing the sale of finished products. They form an important channel connected to various parts of the country for the city's large number of family industries. In the development of Wenzhou's commodity economy, the commodity circulation network formed by the specialized markets and the large contingent of 100,000 purchasing and marketing personnel scattered throughout the width and breadth of the country has played a key role in promoting and organizing the production of the family industries.

2. The "Wenzhou Model" Is Determined by Wenzhou's Special Fixed Socio-Economic Conditions [subhead]

Wenzhou is a city with a small land area but a large population. The tradition from history has been like the story of the "eight immortals crossing the sea." Its people have engaged in such jobs as making bamboo wares, fluffing cotton, hooping barrels, tailoring, barbering, repairing shoes, serving as waiters in restaurants, vending sugar and sweetmeats, selling sundry merchandise, and so forth. They have wandered everywhere, earned money from different places, and generally managed to support their families and make a living. These wandering handicraftsmen, peddlars, and merchants usually joined hands in matrimony with daughters of peasant households who stayed at home and tilled the land. This verily marked the integration of merchandizing and farming. In the course of Wenzhou's development of the commodity economy, the emergence of the family industry and of the specialized markets and the contingent of 100,000 purchasing and marketing personnel scattered throughout the whole country has been determined by the city's following special socioeconomic conditions: a) A large population but scarcity in land. This forces a large force of rural surplus labor to shift to non-agricultural pursuits; b) Limited radiating and absorbing capacity of its urban economy to the rural villages. The original forces of the collectives in the rural villages are weak and there are few collective industries and sideline trades. The city has no large state-run enterprises, only a handful of medium-sized enterprises and about 100-odd small enterprises owned by the whole people; the value of their fixed assets is only 370 million yuan and that of industrial collective enterprises is only 280 million yuan. Hence, the peasants have been compelled to develop their self-run industries, commerce, and other service trades; c) Historically, Wenzhou has been a city of handicraft industries and also a port open to foreign trade. It has along the coast a large number of able craftsmen and persons expert in business operations. Operation of the state policy since the 3rd Plenary Session of the 11th CPC Central Committee has enabled these people to put their role into full play in developing the rural commodity economy. Therefore, the so-called "Wenzhou Model" may be said to be an inevitable development in history.

3. Problems of Universal Significance in the Course of the Development of Wenzhou's Rural Commodity Economy [subhead]

Comparing Wenzhou with Sunan and the Hang-jia-hu Region in northern Zhejiang Province, it may be found that in the development of the commodity economy, Wenzhou has its own noticeable characteristics which carry a universal significance to other regions in the country. They are: a) In developing the rural second and tertiary industries, the strong points of family operations are fully displayed; and b) In economic operations, the role of the market mechanism is put into full play.

Based on the system of contracted responsibilities on the household basis with payment linked to output in agriculture, Wenzhou, starting from the realities of the locality, has applied the experience and method of family operations to rural industry, commerce, communications, transport, the restaurant trade, and so forth. This has enabled many rural villages originally with a rather weak collective economy and for a time lacking the necessary conditions for developing township and town enterprises to use the peasant household as the basis, collect simple means of production, engage in production of various kinds of small commodities, and thus develop rural new industries. Wenzhou has no large factories, but each household is a factory and each house is workshop. The strong points of family industry are: First, economy in investment. [paragraphs continues]

In general, with several yuan it is possible to provide employment for one unit of labor power. In the regenerated spinning and weaving trade in Yishan District, on the average an investment of 160 yuan can provide employment for one unit of labor power. Second, operation can be started speedily. Using several hundred yuan, say, not more than 1,000 yuan, to buy a machine and install in the house, production can start forthwith. Third, good and generous benefits. Investing 1 yuan can create an annual yield of 7 to 8 yuan. Fourth, high adaptability. Labor in family industry is flexible; it can be flexibly and differently arranged in accordance with the family's surplus labor power and surplus labor time. Elderly people and even children can take part in production activities within their capacity. Production can be arranged either in daytime or in the evening by the households themselves. It is precisely because of these strong points of family industry that it has developed so rapidly. Take 1985, for example. The gross output value of rural industry of the city was 1.66 billion yuan, of which the output value of family industry was 64.4 percent; in the communications and transport sector, the volume of freight carried by individual carriers accounted for 67.9 percent of the whole city's gross volume of freight carried and also accounted for 56.5 percent of the volume of passenger transport; in the retail sales of social commodities, individual commerce made up 27.5 percent, being about equal to the business done by state-run and cooperative stores and higher than the 8.8 percent accounted for in retail sales by the supply and marketing cooperatives. Family operation has also played an important role in developing the rural second and tertiary industries, thus speeding up the development of Wenzhou's rural commodity economy. Based on market demand, it raises its own capital, finds its own customers, is solely responsible for its own profits and losses in undertaking industrial pursuits, does not need investment from the state, does not require the state plan to earmark materials for its use, and can digest, on the spot, a large amount of surplus labor power. The solves the too difficult problem of surplus labor power and insufficient capital funds currently encountered in the four modernizations program. Wenzhou's experience and actual practice play an enlightening role on the ideology of other districts in developing the commodity economy. Due to the vast size of our country and the differences in socioeconomic conditions of the various regions, development of the township and town collective industry of the "Sunan Model" is an important road, but the road of the family industry of the "Wenzhou Model" is possibly better suited to regions that are poor economically and originally possess few enterprises run by communes and production brigades. This road of developing the rural commodity economy which takes family operations as the foundation counts on mainly the use of simple equipment and handicraft work, starts from making the lowest grade of small commodities and gradually crosses over to a relatively higher-grade of modernized and specialized commodity production, and offers a great drawing power and a sense of practicability to the peasants in rural villages in our country just liberated from the closed-door and self-sufficient production system.

Generally speaking, Wenzhou's rural commodity economy began its development in the macroeconomic background of a socialist planned economy, but, seen from the microeconomic side, it has organized production and circulation according to the demands of value and the market prices are completely opened up or liberalized. Wenzhou has spontaneously and gradually set up a relatively coordinated market mechanism. Naturally, it is still in its initial stage and is not perfected. First of all, let us look at the commodity market. Viewed from the side of purchasing and marketing products, the raw materials and finished products required by the family industry are not incorporated in the state plan, while state commerce and the supply and marketing cooperatives can hardly take up the burden of supplying them. [paragraph continues]

As a result, the contingent of 100,000 purchasing and marketing personnel must be depended upon to go around various places in the country, generally to the cities and towns to buy raw materials and to the market towns, rural villages, and mountainous areas to sell the products. Take for example the button market in Qiaotou town of Yungjia County; It handles 12 large categories of buttons comprising over 1,300 varieties. Several thousand people visit over 300 plants in various cities and towns to purchase the buttons, while another several thousand people visit various places in the country to sell them. Qiaotou town itself originally did not produce any buttons, but, carried along by the button market, it now produces about 30 percent of the buttons it handles. Take also for example Baixiang town of Yueqing County. It has a building materials market. Here, different kinds of building materials can be procured, including reinforcing steel bars, cement, bricks, plastic piping, and so forth. In the Wenzhou market, all kinds of articles of daily use including food and wearing apparel can be procured. Its "evening market" offers particular attraction. Wenzhou's money market is also in a very active state. Of the funds needed by the individual and collective enterprises, roughly 30 percent are self-provided. Aside from private loans, the credit and loan system among the masses consists of various kinds of so-called "associations," some of which are of a people's mutual-aid nature while some are run on a strictly business basis. Due to the supply of funds lagging behind demand, the interest rate of civilian loans is rather high. For the sake of attracting deposits, of the credit cooperatives of the whole city, 74 percent (368) of them enforce the system of floating credit interest rates. At one time, private money shops appeared on the scene, but they were subsequently closed, although some credit and loan activities have still continued in secret. In general, the monthly interest rate is 3 percent.

Moreover, in regard to the technology market, the compensatory transfer of technology between enterprises and between individuals has been in practice for some time already. Technology transfer centers are now in operation in the city and in its counties. The information market has also begun to play a role with a brand new appearance. The market management and marketing research society of the city's industrial structure has published a "MARKET INFORMATION NEWS"; in Wenzhou City, some 20 intellectual youths have formed the "Dong Feng Information Service Society." It publishes every 10 days the "Classified Reference Materials on News and Information Excerpted From 240 Newspapers in the Country," open to subscription from enterprises and units run by individuals. In Jinxiang town of Cangnan County, a specialized information household organizes information materials from 96 newspapers and derives from it an annual business income of 150,000 yuan. In Liushi, an "information king" took pictures of electric wares, put notations on them, compiled an index, and placed the completed volume on sale. There are many specialized information units in town.

Labor markets have been formed in places where Wenzhou's family industry is relatively more concentrated, such as Jinxiang Town and Oujiang Town. In these markets, every day a batch of labor power is hired, most of whom are young women from the undeveloped mountainous regions. The great majority of the enterprises usually hire only 2 or 3 persons, the owner of the enterprise also taking part in the labor or doing the management work. This manifests the special feature of a large number of enterprises in Wenzhou's rural villages hiring labor power but confirming the number of hirings to only a few each. It exactly tallies with the special feature of family enterprises in Wenzhou's rural villages engaging mainly in small-scale production. In order to help the enterprises solve their difficult transport problems, "highway and railway through traffic stations" have appeared everywhere. It is estimated that the outward dispatch of goods from Wenzhou can reach various places in the country within 20 days' time.

The dragon-like coordination of Wenzhou's market mechanism is the prerequisite for the prosperous development of Wenzhou's commodity economy and is also the inevitable result of its development.

In the first half of this year, certain new changes occurred in the nationally well-known 10 specialized markets: A sudden and swift decline rocked the rabbit hair market; due to various places restricting grain export, purchasing and marketing activities in the grain market were curbed; on account of the quality problem of low-voltage electric wares stirring up comments and criticism, the business volume of the electric wares market declined sharply; the button market also suffered a setback as a result of severe competition and changes in market demand. Against these happenings, the countermeasures taken by the markets were: Making prompt changes in the products, suitably revising the direction of operations, striving hard to improve product quality, and endeavoring the utmost to secure the markets' continued prosperity. Naturally, it can be readily seen that like the grain specialized market, if the state does not step in and render its support, the markets themselves are unable to break through the blockades and restrictions. These changes are sufficient to show that the specialized markets are determined by, and suffered from, restrictions imposed by the supply and demand relationships and the law of value. The development of Wenzhou's specialized markets may be attributed to their having quick access to market information, their commodities conforming to market needs, and their unimpeded circulation channels.

IV. Wenzhou's New Breakthroughs and Questions Under Dispute in the Course of Development of the Commodity Economy [subhead]

1. Pertaining to the problem of the individual economy's relative weight.

In recent years, Wenzhou's family industry, individual commerce, and communications and transport trades have all developed rapidly. In 1984, great and important changes occurred in the structure of the ownership system of the whole city, with the individual economy and private economy occupying commanding proportions. In 1978, state-run economy was still dominant in the whole city while individual economy was virtually nonexistent. In recent years, under the conditions of the absolute quantity of the various forms of economy all showing increases, the proportion of individual economy has demonstrated a large-scale increase while the proportion of state-run economy has correspondingly declined. Will this affect the socialist tenet of state-run economy occupying the leading position? As for the questions of how to acquire an understanding of, and display, the leadership role of state-run and collective economy, and how to evaluate and estimate the "assault" of the individual economy on the state-run economy and the collectives, there are different ways of looking at them. Regarding the so-called "assault," in reality it does exist but is rather a sort of severe competition. Viewed from the angle of the state enterprises themselves, essentially it is how to speed up the reform of the structure of the state-run enterprises and it is only natural that they should be given due support in production conditions. Speaking of the country as a whole, cases like those of Wenzhou are only partial ones. The proportion they occupy is a small one. They are concerned with the production of petty commodities and do not have much effect on the leadership role of state-run economy.

At the same time, we should look at individual economy from the standpoint of its development. Following the development of the individual economy in the new direction of some of its constituents being of a share-holding type, the ratio of collective economy will gradually rise, though not necessarily in accordance with original form.

2. Pertaining to the problem of the market mechanism.

As mentioned above, in the course of Wenzhou's development of the commodity economy in recent years, a fairly coordinated market mechanism has spontaneously and gradually been set up, thus providing Wenzhou's commodity economy with vitality. This should be fully acknowledged. Nevertheless, the current set of economic operation system in Wenzhou has certain contradictions and conflicts with the economic operation system of the country as a whole. The state is now enforcing a planned commodity economy and Wenzhou's part, the important and special features of the economy are the family self-run economy, possessing a scattered and spontaneous nature. Various practices and forms have emerged from it such as labor hiring, "hitched-household" operation, purchasing and marketing large households, transfer agreements, currency-large households, money investment and disposal of earnings, deductions by society in income distribution, control of consumption funds, and so forth. They are all widely divergent from conditions in the country, including Wenzhou's past conditions. In treating and solving these problems in recent years, questions have arisen as to whether they appertain to socialism or capitalism, and how to handle them so that they conform to socialist principles. When dealing with these contradictions, Wenzhou did not, in general, take the simple attitude of treating them either as socialist or capitalist but has adopted rather flexible methods to facilitate the development of the rural commodity economy and the rural productive forces. At the same time, regarding those matters needing reform but on which the departments in charge decline to take action, the existing policy still holds. Solution of these problems will have to wait until further practices from now on. At present, an "experimental" attitude should be adopted. Since it is still an experiment, its concrete form before maturity should not be extended to other parts of the country.

V. Several Policy Problems Emerging in the Course of the Development of Wenzhou's Rural Commodity Economy [subhead]

1. Pertaining to the problem of the current treatment of the status, role, and development of individually-run units in industry, commerce, transport, and the service trade.

In recent years, Wenzhou's family individual economy has truly played a noticeable role in the development of the rural commodity economy. It is suited to the level of the productive forces and the purchasing power of a considerable portion of the rural areas in our country at present. Its products are mostly petty commodities needed in people's livelihood but not produced by factories in the cities. It forms a relatively independent economy stratum different from the national economy and the collective economy and in varying ways fills up the shortages of the state-run economy and collective economy. In this regard, it not only competes, but also helps and supplements. In the process of the development of the rural commodity economy in our country, individual economy will for a prolonged period of time display its active role. Nevertheless, it still has its limitations and passiveness. They are principally manifested in the following: A) Individual economy is large quantitatively speaking and covers a wide area; it is difficult to manage. It has also other problems, such as the poor quality of products, tax evasion practices, and bad business behavior, even indulging in falsehood, fraudulent practices, and cheating. B) Wide disparity in earnings. This refers to the collectives having higher earnings than state-run units, while individually-run units have more than collective units. This obviously is an assault on state-run economy and does not help at all in consolidating the collective economy. [paragraph continues]

At present, workers and staff members in state-run units (principally textile enterprises) have the prevalent practice of seeking a second or sideline job. Many units under the collective economy, particularly small ones, tend to compete with individually-run units, resulting in their loss of interest in making accumulations and resorting to such practices as dividing up and consuming all their earnings. C) Backward production technology of individual economy, poor and simple equipment in use, and frequently seeking benefits of the moment and lacking long-range plans. All these passive indications are related to the spontaneous and blind character of the individual economy and also related to the imperfect measures taken in the new structure replacing the old one in the course of the reform. Hence, the problems needing urgent attention are how to retain the strong points and remove the weak points, how to determine the direction of development in individual economy, how to strengthen the management and control of individual economy (especially with reference to product quality and taxation matters), and how to gradually organize together family industry and the purchasing and marketing specialized units and lead them to form a cooperative economy or stock and share companies.

2. Pertaining to the problem of private enterprises.

In the course of the development of commodity economy in Wenzhou, a number (several score) of "large households" each with an output value of several hundred thousand or several million yuan have appeared on the scene. Due to competition in the market, these big households have continuously expanded their reproduction and at the same time improved their production conditions so as to improve the quality of their products to meet market competition. Of these, some have taken the road of forming joint ventures or stock companies. Some have hired workers to help in the operations. Under the current condition of a low productive level in the rural areas in our country, these enterprises have played an active role in developing the rural productive forces and developing the rural commodity economy. Moreover, under the conditions of the state's shortage of funds and inability to provide sufficient production capital to the rural economy, the emergence of certain private enterprises has a definite role in promoting accumulation of funds and developing production. More importantly, the entrepreneurs of private enterprises are mostly capable people who have emerged from severe market competition, served as the backbone elements in developing the commodity economy in their localities, and brought their role into full play. They will undoubtedly promote the development of the locality's commodity economy. The development of these private undertakings has arisen under our country's socialist, political, and macroeconomic control with conditions of state-run economy still occupying the dominant position in the economy. Their relative weight is rather small. Hence, allowing them to exist and grow will not involve any risks.

At present, Wenzhou's private enterprises have no legal status. Certain relatively large-scale private enterprises are still being treated as individually-run enterprises. This has brought about certain problems in their control and management while the large households themselves have felt rather uneasy. This can have the effect of influencing some of them not to invest or to expand their operations. The local cadre masses have all ventured the hope that the state can legally make it definite that for a protracted length of time private enterprises may be allowed to exist and to develop the economy. Naturally, they also have the same kind of passive problems which, as mentioned above, are possessed by the individually-run units. It is thus necessary to concurrently study how to strengthen their management and education, guiding them to the direction of public-private jointly-run ventures and stock and share companies. [paragraph continues]

The policy relative to big private enterprises should generally embrace the following: Treatment to be accorded to, according to policy, private enterprises in their development of the economy, such as matters of credits and loans, taxation, and so forth; policy on the stock and share undertakings among the private enterprises; regulations on the proportion between accumulation and consumption within the private enterprises; regulations on wages, salaries and compensation of workers and staff members within the private enterprises; and control and collection of taxes from private enterprises. All these consist of problems that will require study, decision, and regulation.

3. Problem of "hitched units."

"Hitched units" constitute a relatively prevalent operation form in Wenzhou. A so-called "hitched unit" is a family industrial unit or an individual purchaser or salesman attached to a collective or state-run enterprise, using the name of the enterprise to carry out operations and production activities. The enterprise to which it or he is attached acts on its behalf in issuing invoices, handling the accounts, and paying taxes but it also collects a handling charge. This form does not conform with the state's regulations on management and control, but in Wenzhou it serves as a measure to enforce the control of the tens of thousands of family industries and purchasing and marketing personnel. Some villages even collected accumulation funds from the hitched units to develop and enlarge the collective economy, forming a cooperative economic structure of 2-layer operations. Thus, the method of "hitched units" should be duly recognized and be continuously perfected through the relevant localities compiling the necessary regulations. At present, both Wenzhou City and Cangnan County have formulated regulations governing "hitched units." The regulations will require gradual perfection through actual practice from now on.

4. Problem of taxation.

At present, taxation of Wenzhou's family industry generally tends to the low side. According to an estimate made by the finance and taxation departments of the city, over 50 percent of the taxes payable by families and joint ventures has not been collected. Some market towns have deliberately lowered their tax rates to attract hitched units from the outside, thus constituting a conflict of interest between the market towns and the state and damaging the tax revenues of the state. Some individual units have frequently hitched themselves to newly organized enterprises that are subjected to exemption from the industrial and commercial income tax or to reduced tax rates; some others frequently changed the units to which they are attached, thus putting on a "legitimate cloak" to hide their tax evasion activities. There is also another problem in regard to taxation. This is that in the case of both large and small households or units, because of the lack of account books, tax collection cannot be made on the basis of fixed rates and the method of collecting the industry and commerce tax in lieu of the income tax has been resorted to. This has enabled certain large units to have high earnings without paying much tax such as several tens of thousands of yuan a year (they generally handle the production of petty commodities, using backward equipment, requiring rather intensive labor power but incurring a low level of expenses). It is necessary, on the one hand, to guide them to use their profits to increase their fixed assets and, on the other hand, to strengthen the management work over them and to cut down their tax evasion activities. But due care must be taken not to raise the tax rates too high, as this may wipe out their profits and the state may lose out in the end.

5. Problem of the money market.

The speedy development of the commodity economy necessarily requires a continuous increase in capital funds. It is estimated that Wenzhou requires credit and loan funds of over a billion yuan a year, but the state banks and the credit cooperatives can supply only one-third of this amount. As a result, a civilian money market has come into existence. It was rather active for a time, playing an important role in developing the market economy, but due to the policy problem not having been settled yet and the failure of the relevant departments in subjectively doing the organization and guidance work, a certain state of confusion has been generated. For example, in Yueqing County, a "high association," seldom seen in the country, is known to have appeared, offering and collecting interest at a monthly rate of 23-25 percent. This far exceeded the practice in civilian credit and loans and really belonged to the category of speculation and cheating in financial transactions. It not only failed in the role of providing financial help to production but also drew legitimate production funds to the financial speculative market. It is known that the county had already ordered the banning of such associations. At present, open money markets have turned to underground activities and some interest rates are known to be higher than 2 to 3 percent. How to invigorate the money market is an urgent problem that demands solution. The localities hope that floating interest rates and the scope of services of the credit cooperatives should be rendered more lively and that new schemes will be tried out such as new and bona fide civilian credit associations, issuance of shares, stocks and bonds, and so forth.

6. Problem of quality control.

Regarding the quality of Wenzhou's products, aside from the problems mentioned above such as poor quality, imitation of brands of good repute, and so forth, there is also the problem of the quality of low-voltage electrical wares produced in Lihusi and other places. These electrical wares require the use of silver as one of the raw materials, but silver cannot be procured at a cheap price and procuring it means high production costs. As a result, many factories have been using a substitute material in lieu of actual silver in production. At the same time, due to the lack of adequate equipment for examining and inspecting the product quality, many problems have cropped up concerning the quality of the products. As a countermeasure, the relevant counties have set up quality inspection organs, at the same time enforcing a license system. Electric wares are in nature different from other kinds of products. Their good and reliable quality must be ensured. Hence, control over them must be strengthened.

7. Problem of policy regarding the new joint-venture economy.

Following the development of the economy, a number of joint bodies have appeared. Currently, they embrace roughly 10 percent of the total number of family enterprises, ranging from 20 to 30 percent in some places. The great majority of these joint bodies are formed by families and clans, but some are jointly operated by several or scores of households joining together through the process of subscribing to stocks and shares. Among the jointly-run bodies, a portion have been well organized, possessing common accumulation funds, basically enforcing the system of distribution according to work, and possessing many of the features of a cooperative economy. Some private enterprises have also allowed the workers to become shareholders of the enterprises, thus moving in the direction of a cooperative economy. At present, these joint bodies are being treated in the same way as individually-run units. [paragraph continues]

Hence, cadres and the populace of the localities concerned have asked for an exact definition of the nature and status of the joint bodies so that a corresponding policy can be adopted. The majority of people believe that these joint bodies possess, in varying degrees, the cooperative elements, that the relatively developed ones are in nature like the elementary agricultural producers' cooperative, that the great majority are jointly run by families or clans and that they are constantly progressing. Hence, the policy concerning them should call for giving them more support and aid them customarily accorded to individually-run units. As for those among them which have developed to the level of cooperation and operation as stock companies, for the present, on account of the great disparities existing between the various stock companies, it is difficult to define their nature in a definite way, but, in matters of policy, they should be given certain treatment accorded to the collective economy. This should help in guiding them in the socialist direction.

The cadres at various levels and the populace in Wenzhou give great support to, and are much enthused by, the leadership comrades of the central government in selecting Wenzhou for experimentation, allowing the various forms of the ownership system to develop such as the family industry, individual-run commerce, private enterprises, newly organized joint bodies, and so forth, in the attempt to facilitate the development of commodity production and the social productive forces. The city's party committee is currently studying the formation of a program.

The problem felt by the leadership of the city and counties to be most pressing is that there are many contradictions between the above-mentioned actual conditions in Wenzhou and the management system currently stipulated by the various economic departments of the central government. Hence, on the one hand, they will strengthen the management and control work and make the diversified forms of economy accept the state's guidance so as to guide them to development in the socialist direction, and, on the other hand, they hope that the localities will be given greater autonomous power and be allowed to score breakthroughs and to continue the development. At the same time, they hope that the central authorities and the provincial leadership departments in commerce, banking, taxation, industrial and commercial management, machine building, the textile industry, and agriculture will actively support the progress of the experiment.

CENTRAL, LOCAL GOVERNMENTS ACT ON INVESTMENT RULE

OW311720 Beijing XINHUA in English 1548 GMT 31 Oct 86

["Roundup: Better Investment Climate" -- XINHUA headline]

[Text] Beijing, October 31 (XINHUA) -- Chinese central and local governments have been taking measures to implement the new provisions to improve the foreign investment climate and facilitate the absorption of foreign capital issued October 11.

A joint venture, the Fusheng Mini-Bus Corporation in the Fujian capital of Fuzhou, got its problems sorted out within a few days after the provincial government called on the departments concerned to cooperate.

These days, Shanghai, Guangdong Province and many coastal cities opened to foreign investment, have been busy examining their foreign investment enterprises and have announced the first ones to enjoy new items of preferential treatment.

The Shekou Industrial Zone in the Shenzhen Special Economic Zone has reduced more than 50 kinds of fees levied on foreign investment enterprises at an average rate of 20 percent.

These changes were due to the promulgation of the "provisions for the encouragement of foreign investment", issued October 11. Nearly all the open cities have held meetings to design their own measures to implement these provisions.

The Chinese Government has formed a special body to handle foreign investment, headed by State Councillor Gu Mu. And Fujian Province has set up a similar office led by Governor Hu Ping. These units will be in charge of monitoring the carrying out of the new provisions.

Complaints from joint ventures earlier this year spurred the Chinese Government to stipulate these new provisions to reduce unreasonably high charges and simplify the formalities involved in helping investors to find proper partners and projects.

The State Council is organizing the departments concerned to draft the laws and regulations concerning the new provisions.

To solve the joint ventures' difficulties of lack of material supply and funds, many cities have set up special service centers.

To improve efficiency, open cities have set up offices headed by mayors and governors, which, in concert with the economic legal and customs departments, aim at making quick decisions.

The Fuzhou City Council has decided that the units in charge of approving new enterprises must give decisions within a month to applicants' project suggestions, feasibility studies and contract applications. And the deadline for issuing certificates and licenses is limited to 10 days following applications.

OFFICIAL TALKS ON URBAN DEVELOPMENT PLANS

OW040412 Beijing XINHUA in English 0236 GMT 4 Nov 86

[Text] Hefei, November 4 (XINHUA) -- China will invest 45 billion yuan (12.15 billion U.S. dollars) in urban development during the late 1980s as its cities increase in number from 324 to 400, according to a leading government official.

In remarks made public today, Feng Shixiu, head of the Financial Department of the Ministry of Urban and Rural Construction and Environmental Protection, said the country will concentrate on developing smaller cities rather than allowing rapid growth in its metropolises.

At a national conference here last week on cities in the year 2000, Feng said the government is making China's cities greener, increasing green areas per person from 2.6 square meters at the beginning of the year to four square meters by 1990.

I. 4 Nov 86

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By then, he said, "30 percent of China's urban areas will be green."

According to research presented at the conference, China's cities will grow in number to 600 by the end of the century with urban population increasing from 118 to 175 million.

To become a city in China, a town generally must have a population of 50,000 or more as well as utilities and an economy adequately developed to serve its people.

By 1990, he said urban housing will increase by 650 million square meters while utilities will supply cities with an additional 1.67 million liters of water a day.

Over the next five years, according to Feng, the country will build 14,000 kilometers of additional urban highways and buy 30,000 more mass transit vehicles.

By the end of the decade, urban homes will be supplied with an additional nine million cubic meters of gas a day than at the beginning of this year and be connected to 14,000 kilometers of new sewer systems, he said.

WANG BINGQIAN AT MEETING ON AIDING POOR AREAS

OWO31841 Beijing XINHUA Domestic Service in Chinese 0832 GMT 3 Nov 86

[Text] Beijing, 3 Nov (XINHUA) -- (By reporter Tian Chuan) The party Central Committee and the State Council have attached importance to economic construction in economically underdeveloped areas. Since 1980, special funds totaling 4 billion yuan have been appropriated in support of production in minority, border, impoverished, and old revolutionary base areas, thereby improving the people's lives there.

Tian Yinong, member of the Committee for Management of Funds in Support of Development of Economically Underdeveloped Areas and vice minister of finance, spoke at today's national discussion meeting on the management of funds in support of development in economically underdeveloped areas. He said that in recent years, the state has taken measures, such as providing funds and so on, to promote construction in minority, border, impoverished, and old revolutionary base areas. Some 1,250 counties and more than 10,000 townships throughout the nation have used development funds to build reservoirs, small hydropower stations, operate schools, pave more than 66,000 kilometers of highways, and solve the problem of drinking water for 13.28 million people and 5.98 [million] livestock in water-short mountainous areas. This has improved the conditions for production and ecological environment in impoverished areas, and greatly facilitated the efforts to end economic and cultural backwardness in these areas.

Wang Bingqian, state councilor and chairman of the Commission for the Management of Funds in Support of Development in Economically Underdeveloped Areas, as well as Zhu Rong, Li Ruishan, and other comrades who are members of the committee, attended today's meeting.

BOOST FOR SCIENTIFIC EQUIPMENT ANNOUNCED

HK290230 Beijing CHINA DAILY in English 29 Oct 86 p 2

[By staff reporter Liang Weiya]

[Text] Chongqing — A series of measures is to be taken to develop China's scientific equipment industry in order to boost the country's imports and exports in this field.

The measures will include forming China's first associated development and trade group for exporting scientific equipment, establishing a federation to coordinate production and sales in domestic markets, setting up a service network to meet the needs of the country's "Sparkling Plan" programme and training personnel in management and foreign trade.

This was announced at a managerial meeting of scientific equipment companies, sponsored by the State Science and Technology Commission, in Chongqing, in China's southwest Sichuan Province.

More than 200 delegates are attending the meeting which is now under way. They include directors in charge of science and technology commissions at the provincial and regional level and representatives from 74 companies.

Guo Shuyan, vice-minister in charge of the State Science and Technology Commission, said at the meeting that scientific equipment companies should become a logistics department for scientific and technological units and for providing comprehensive services for science and technology research work.

He urged the companies to raise their level of commodity supply and to make adjustments suiting the country's reform of its scientific and technological systems.

China so far has 132 scientific equipment companies employing more than 3,700 staff.

Incomplete statistics show that the companies have provided facilities worth 2.5 billion yuan (\$675 million) to scientific and technological research units.

Chen Renzheng, general manager of the China Scientific Equipment Corporation, outlined the major tasks facing the country's scientific equipment corporations. They include establishing joint enterprises, ensuring the supply of technical facilities and scientific equipment for key projects in science and technology, training personnel and promoting scientific management.

Chen told CHINA DAILY that his corporation had signed contracts with foreign companies worth \$9.35 million by the end of the first half of this year.

His corporation has already set up links with more than 40 companies in countries and regions including the United Kingdom, the United States, Turkey, Japan, Sweden and Hong Kong. "We expect to exceed \$10 million of exports by the year's end," he said.

SONG JIAN PRAISES SCIENCE INFORMATION WORKERS

OW181800 Beijing XINHUA in English 1604 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- China conferred certificates and souvenirs on more than 390 advanced workers and 20 former officials of the National Science and Technological Information Service today.

Over 220 items of scientific and technological achievements were also cited at the five-day meeting commemorating the 30th anniversary of the founding of China's Science and Technology Information Service, which closed today.

Song Jian, minister in charge of the State Science and Technology Commission, said, "Information workers are also the creators of material wealth and should be rewarded and honored."

Song said that the information service had played an important role in helping the development of China's economy, national defense and scientific research, as well as policy making.

He said that China's information workers should explore new fields and new channels to serve the country's economic construction. Meanwhile, China should build its information system with modern concepts and equipment. Moreover, it should also pay attention to economic benefits and enhance information exchanges with foreign counterparts in order to increase its information resources and exchanges.

Also attending today's meeting were Yan Jichi, vice-chairman of the National People's Congress Standing Committee, and other leaders in related fields.

PAPER INTERVIEWS FAMILY PLANNING MINISTER

HK040645 Hong Kong SOUTH CHINA MORNING POST in English 4 Nov 86 pp 1, 2

[By Lulu Yu]

[Text] China's one-child policy, "necessary at this point in history", may be relaxed before the country turns into an old-age society in the 2020s, according to Mr Chang Chongxuan, Vice-Minister in charge of China's State Family Planning Commission.

The package of "reward and punishment" -- including forced abortions and sterilisation -- that comes with China's policy has been criticized by some politicians and sociologists.

The effect of an ageing population, which generally slows down economic development and strains a country's social security system, has also caused concern.

In an interview with the SOUTH CHINA MORNING POST in Beijing last week, Mr Chang said despite birth rates that are on the rise again after years of steady decline, the population program was on course and would come close to its target of 1.2 billion people in the year 2000.

While China's population had doubled from 540 million to 1.05 billion since 1949, the birth rate had slowed from 43 per thousand in 1963 to around 18 per thousand in the 1980s.

The net growth rate (birth rate minus death rate) has declined continuously, from an annual 32 per thousand in the 1960s to 14 per thousand in the 1970s, to the present 10 per thousand.

But last year saw a slight resurgence to 10.81 per thousand, and this year's growth is forecast at 11.23 per thousand.

At this rate, China will not meet its target, which requires an annual growth rate of nine per thousand.

Mr Chang said the main reason for the upsurge was the unusually high numbers from the peak period of population growth in the 1960s now reaching child-bearing age. This trend, he said, would continue until 1995.

He claimed that an old-age society would not arrive until around 2020, not the end of this century as had been widely anticipated.

Said Mr Chang: "In any case, the problem will not be as serious as it is believed to be. Because Chinese traditions emphasise filial piety, old people here have more family support than in the West, and hence will cause fewer social problems.

"In 1982, 4.9 percent of our population was over 65. This was the level in Japan in 1935. We still have a long way to go before we catch up with many of the ageing countries."

The implications of an old-age society -- a shrinking workforce of nuclear families to support a growing number of pensioners -- are well recognised by policy-makers. Difficulties also arise for rural families, which continue to rely on family labour for their small farms.

According to statistics provided by Mr Zhang Pei, deputy director of the commission's Department of Publicity and Education, 30 per cent of the 1.05 billion in China are children under 14, while 8.2 percent are over 60.

The workforce makes up 61.9 percent, of which 16 percent are in school or university. This means that less than half of the total population are now supporting the society.

There are suggestions that by the year 2000, a couple may have to support four to six elderly people as well as their own children.

"The population policy is a flexible one. Right now, we are advocating one child per family. When conditions require, we can make adjustments and perhaps promote two-child families," said Mr Chang.

The one-child policy, when first introduced in the early 1980s, was enforced to the extent that forced abortion and sterilisation became common.

Practical problems and a spate of female infanticides in rural areas later caused the authorities to relax certain measures.

Today, some farmers, mostly ethnic minorities, and certain categories of people living in towns and cities are allowed to have two children.

Punishment for those who violate regulations usually mean fines for farmers and pay and benefit cuts for workers.

"The term one-child policy is actually a misleading one. We are advocating it, but we're not forcing everyone to follow it regardless of realistic conditions. Presently, only 15 percent of all households in this country are one-child families," said Mr Chang.

He admitted that enforcement measures had been too stringent before, but claimed past mistakes had been corrected.

Western press reports had highlighted cases of female infanticide to show some of the undesirable consequences of forced population control.

Mr Chang said such cases still existed in remote areas, particularly in Anhui Province, but in very small numbers.

For every birth in China, there is an average of six abortions.

The United States, reacting to the abortion policies, withheld U.S. \$10 million (about Hk\$78 million) of United Nations funds earmarked for family planning in China last year.

Mr Chang said some American politicians were using the issue to make political capital.

He said population control had been highly successful since the 1970s, resulting in two billion fewer births than would have occurred between 1970 and 1985.

Today, child-bearing women -- 74 percent of whom use some form of contraception -- give birth to two children on average. At least 90 percent give birth in hospitals or with the help of registered doctors or nurses.

Demographers started calling for population programs in the early 1950's, when women gave birth to an average of 5.81 children each. The proposals vanished in a wave of political upheavals.

In 1963, the first Family Planning Commission was established in Shanghai. The following year, family planning became a national policy, and was written into the constitution in 1979.

China is seeking to raise its gross nation product from U.S. \$358.6 billion (about Hk \$2,797 billion) to U.S. \$1,000 billion (about Hk \$78,000 billion), or a per capita income of U.S. \$342 (about Hk \$2,257) to U.S. \$800 (about Hk \$6,240) by the end of the century.

BEIJING HOSTS FIRST FORESTRY PRODUCTS EXHIBITION

OW271412 Beijing XINHUA in English 1324 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- China's Vice-President Ulanhu cut the ribbon at the opening of the first National Forestry Products Exhibition here today.

The five-day exhibition features 27 displays with more than 3,000 varieties of products.

Yang Zhong, minister of forestry, said, "this exhibition will be helpful in promoting the economic development of forestry commodities and will hasten the change from the superiority of resources to the superiority of economy in the forestry field."

The products on display include various wood processing and chemical products, and forest machines, which have won high quality certificates of merit from the state and the Ministry of Forestry.

Samples of dry and fresh fruits include Shandong and Hebei dates which are considered the best quality in the country, Guanguang apples of Beijing's Yanqing County, and the crossbred apple-pear of Zhangye County in Gansu Province. Preserved fruits, woody plant oil, edible fungus, medicine, condiments, tinned food, beverages, animal specimens and other famous, rare and new local forestry products are on display.

There are also rooms set up for business transactions, negotiations and consulting services, and areas for people to write contracts, exchange techniques and share achievement in scientific research.

HENAN LEADER STRESSES BUILDING THIRD ECHELON

HK040229 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 3 Nov 86

[Excerpts] On 2 November, Zhao Di, deputy secretary of the provincial party committee, stressed at a provincial forum on organizational work that it is essential to continue to get a good grasp on building the third echelon. He said: Building the third echelon well and instituting a reserve cadre system is an important component part of the prty's cadre line in the new situation. It is a long-term strategic task. [passage omitted]

Comrade Zhao Di pointed out that as the work of building the third echelon is still in the exploratory stage, we need to carry out further improvements in cadre selection and work methods. Hence the party committees and organization departments at all levels must devote still greater energy to further improving the work of building the third echelon.

On the question of how to step up the building of the third echelon, Comrade Zhao Di stressed that the party committees and organization departments at all levels must seriously sum up experiences in this work in their own areas and units on the basis of unifying their understanding and affirming their confidence, and continually improve their work, to ensure that the work of the building the third echelon will gradually embark on a regular and scientific path.

HUBEI SPIRITUAL CIVILIZATION EFFORTS COMMENDED

HK030821 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 31 Oct 86

[Excerpts] Over the past few years, our province has achieved tremendous results in the endeavor jointly made by the Army and the people to promote socialist cultural and ideological progress in the rural and urban areas.

At the commendation meeting in this regard, which ended today, 55 advanced units, including the Wuhan City people's government and an airborne forces unit, were cited for their distinguished work by the provincial party committee, people's government and military district. [passage omitted]

Speaking at the meeting, Guo Zhenqian, deputy secretary of the provincial party committee and governor of the province, stressed: To consolidate and develop what the Army and the people of our province have achieved in building a socialist society with an advanced culture and ideology, we must energetically strengthen education to help people become well educated and self-disciplined socialist citizens with lofty ideals and moral integrity who love the motherland, the people, labor, science and socialism. We must intensify education in legality, and must devote primary importance to raising the ideological and ethical standards of soldiers and civilians as well as their educational and scientific levels. To support the Army and love the people in the ideological, educational, and scientific fields, we must train more talented people for the Army and the local authorities. Taking the Army and the people as the model, all localities should develop the activities of promoting socialist cultural and ideological progress by joint efforts of the police and the people, of the workers and the peasants, and of factories and neighborhood committees. We must also give full play to the role of the militia. In the rural areas, every militiaman should set an example for his family and every militia platoon should set an example for the whole village.

Militiamen in the urban areas should take the lead in promoting socialist cultural and ideological progress and help their families to become advanced in this field of work so that the activities of jointly promoting socialist cultural and ideological progress will be carried on in depth.

Present at the commendation meeting were Zhao Fulin, Wang Ruisheng, Tang Zhe, (Wang Sheng), Zhang Xueqi and other leading comrades of the provincial party committee, People's Congress Standing Committee, government, CPPCC and military district. Also present were leaders of the PLA General Political Department, the relevant departments of the Guangzhou Military Region, the PLA units stationed in our province, and military academies, and representatives from advanced units.

HUNAN RURAL SURPLUS LABORERS SEEK WORK IN TOWNS

OW030142 Beijing XINHUA in English 0125 GMT 3 Nov 86

[Text] Changsha, November 3 (XINHUA) -- Three million peasants in south China's Hunan Province have left their farms and are now working in small towns in industry and service trades.

Since the new policy was started which contracts farmland to peasants, millions have quit farming. The governor suggested that these surplus laborers start intensive farming or look for jobs in small towns.

Xiong Qingquan, governor of Hunan, said, "I am relieved to see the surplus laborers find work and improve their living standard."

As a result, the number of urban residents has doubled since 1980, with 380 new towns formed, making the total in the province 542. The markets along the highways and railways are flourishing.

The new residents turn out an output value of eight billion yuan (2.1 billion U.S. dollars) every year, and their per capita income is twice that of their rural counterparts.

Most of them have found jobs in the processing industry, garment making, transportation, construction and service work.

To encourage them to start enterprises with their own funds, many towns have offered the use of buildings and land. In Taoyuan County, 5,100 peasants have opened 300 plants, grocery stores or repair shops. In 1985, the town's income was four times that of five years ago.

At the same time, town-run enterprises are encouraged to employ peasants who are now making up the worker shortage in cities.

Pukou Town near Lilin City was deserted in the 1970's. After 10 years of construction, it has become a prosperous town, famous for its fire works, cardboard boxes and porcelain since 5,000 peasants have gone there looking for work.

Lianqiao Town in Shaodong County has 95 small eyeglass factories directed by experienced workers. Now they annually turn out one million pairs of glasses.

Fei Xiaotong, noted sociologist said: "This tendency suits China's current situation, because offering peasants jobs in small towns saves more money and red tape than moving them into big cities, and the modernization process of the countryside is speeding up."

GUIZHOU PEOPLE'S CONGRESS MEETING CONCLUDES

HK040557 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 1 Nov 86

[Excerpt] The 21st session of the 6th provincial People's Congress Standing Committee came to a successful close on 1 November after going through all items on the agenda. The meeting adopted the provincial provisional rules and regulations for opening up mines by town and township enterprises and individuals; the resolution on strengthening family planning work; the resolution on building more irrigation works; the resolution on the provincial report on ensuring safety in production. It also approved the appointment and removal of some personnel.

Xia Yewen, vice chairman of the provincial People's Congress Standing Committee, presided over the plenary session held on the afternoon of 1 November. Attending were vice chairmen of the provincial People's Congress Standing Committee Luo Dengyi, Bai Lin, Ran Yannong, Wang Zhenjiang, Qian Yunzhong and Zhou Yansong. [passage omitted]

SICHUAN RALLY COMMENDS PLA GRASS-ROOTS BUILDING

HK221031 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 15 Oct 86

[Text] The rally of the Chengdu Military Region to commend grass-roots building successfully concluded yesterday [15 October] morning.

Over the past few days, the representatives present at the rally seriously studied the resolution of the CPC Central Committee on the guiding principle of the building of spiritual civilization and Vice Chairman Yang Shangkun's important directive. In light of the PLA units' realities, they conducted fervent discussion.

Military Region Political Commissar Wan Haifeng made a report entitled: "Suit the Strategic Change and Lay a Solid Foundation so That the Grass-Roots Can Take a Big Step Forward in Peacetime and on the Army-building Road."

Military Commander Fu Quanyou emphatically pointed out at the closing ceremony: It is necessary to really strengthen grass-roots building, to improve the quality of the cadres and fighters, to train militiamen who have lofty ideals, good morality, knowledge, and good health, and to exert great spiritual influence in the course of building spiritual civilization.

SICHUAN OPENS PROVINCIAL COOPERATION SYMPOSIUM

HK300524 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 27 Oct 86

[Text] According to "ZHONGHUA JINGJI WENHUI BAO" [CHINA ECONOMIC DIGEST], on the invitation of the province, chairmen of economic cooperation offices and structural reform offices in 7 coastal provinces, municipalities, and autonomous regions, including Jiangsu and Shanghai, as well as 14 cities such as Nanjing, Wuxi and Dalian successively arrived at Chengdu and attended a symposium on lateral economic links which opened on 25 October.

This symposium exchanged information on the situation of lateral cooperation as well as the experience of structural reforms. It also probed the new situation and new problems that have developed in the course of cooperation, and studied the principles and policies concerned. It also discussed possibilities for developing cooperation.

NPC STANDING COMMITTEE VICE CHAIRMAN INSPECTS YUNNAN

HK040847 Kunming Provincial Service in Mandarin 1100 GMT 31 Oct 86

[Text] Bainqen Erdini Qoigyil Gyaincain, vice chairman of the NPC Standing Committee, concluded his inspection tour of our province and left Kunming by train this morning. Those going to the Kunming Railroad Station to see him off were Li Shuji, deputy secretary of the Yunnan Provincial CPC Committee; Zhao Kun, member of the provincial party committee Standing Committee; Li Guiying, chairman of the provincial People's Congress Standing Committee; Vice Chairman Yang Ming; Vice Governor Dao Guodong; Liang Jia, chairman of the provincial CPPCC Committee; Wang Zuxan, commander of the Yunnan Military District; (Qin Youming), political commissar of a certain group army; and responsible persons of departments concerned. Zhou Jia, vice minister of the State Nationalities Affairs Commission, and others who had accompanied NPC Standing Committee Vice Chairman Bainqen on his inspection and visit to our province, also left Kunming on board the same train.

Yesterday evening, NPC Standing Committee Vice Chairman Bainqen held a banquet at (Lianyun) Guesthouse in honor of responsible comrades of the Yunnan provincial and Kunming City party, government, and army and the work personnel who had provided services during his inspection tour. In the course of proposing a toast, he hoped that the militarymen and people of all nationalities in our province would unite, struggle hard, do a good job in building the two civilizations, and make new contributions toward the unification of our motherland and the prosperity of the people of all nationalities.

YUNNAN PEOPLE'S CONGRESS SESSION OPENS IN KUNMING

HK270745 Kunming Provincial Service in Mandarin 1100 GMT 22 Oct 86

[Text] The 24th session of the 6th provincial People's Congress Standing Committee opened in Kunming City's Hall of the People this morning.

The main items on the agenda of the session are as follows: 1) To study the CPC Central Committee's resolution on the guiding principles for building a socialist society with an advanced culture and ideology; 2) to listen to and consider the draft measures taken by the provincial people's government to implement the PRC law on universal education; 3) to consider the draft regulations for exercising autonomy in Lunan Yi Autonomous County; 4) to consider the draft decision made by the provincial People's Congress Standing Committee on the time set for the election of deputies to the People's Congresses of counties and townships, and the draft resolution adopted by the Yunnan Provincial People's Congress Standing Committee on amending the 10th and 14th provisions of the regulations for electing deputies to the People's Congresses of counties and the 3d provision of the regulations for direct election of deputies to the People's Congresses of townships; 5) to listen to and consider the report of the provincial people's government on the implementation of the economic and social development plan from January to September 1986, and the report of the provincial people's government on the implementation of the provincial budget from January to September 1986; 6) to listen to and consider the report of the provincial people's government on the work of spreading the knowledge of law; 7) to listen to and consider

the report of the provincial people's government on the work of spreading the knowledge of law; 7) to listen to and consider the written report of the provincial people's government on the supervision of the handling of major criminal cases ascertained at the provincial level; and 8) appointing and removing government functionaries.

Li Guiying, chairman of the provincial People's Congress Standing Committee, presided over the plenary session this morning. The meeting approved the main items on the agenda of the 24th session of the 6th provincial People's Congress. After that, all members studied the CPC Central Committee's resolution on the guiding principles for building a socialist society with an advanced culture and ideology.

Attending the plenary session were Yan Yiquan, Ma Wendong and Yu Huoli, vice chairmen of the provincial People's Congress Standing Committee, as well as those who attended as observers, including Dao Shixun, vice chairman of the provincial CPPCC; Sun Zhineng, president of the provincial Higher People's Court; and (Wu Wenguang), deputy chief procurator of the provincial People's Procuratorate.

YUNNAN WATER CONSERVANCY CONFERENCE CONCLUDES

HK300829 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 28 Oct 86

[Excerpt] The provincial conference on the work of rural water conservancy construction, which concluded on 26 October, put forward that in water conservancy construction this winter and next spring, it is necessary to regard the repair of existing facilities as the key point.

The conference held that water conservancy is the lifeline of agriculture. At no time can production in rural areas and the rural economy develop without water conservancy. The governments of all places must include rural water conservancy construction and management on their agenda, really strengthen leadership, divide the work with individual responsibility, and enhance the benefits of water conservancy and hydroelectric power projects and management to a new level.

The conference pointed out that in water conservancy construction this winter and next spring, it is necessary to regard the repair of existing facilities as the key point, to step up the repair of ditches, river courses, reservoirs, embankments, and ponds damaged by floods; and to strive to complete this work before next year's spring farming so as to guarantee water for use in agricultural production next year.

The conference stressed that all places must establish the system of accumulating funds for rural water conservancy and put it on a sound basis and adopt the method of raising funds at many levels and through many channels to suitably increase funds and materials for water conservancy. They must encourage and organize the peasants to increase their investment in agriculture and do a good job in farmland and water conservancy construction. [passage omitted]

SECRETARY ATTENDS BEIJING LONG MARCH CELEBRATION

SK311127 Beijing BEIJING RIBAO in Chinese 21 Oct 86 p 4

[Text] On the afternoon of 20 October, the Beijing Municipal CPC Committee and people's government held a forum to commemorate the 50th anniversary of the victory of the Long March of the Chinese Workers' and Peasants' Red Army. A total of 33 veteran Red Army soldiers who participated in the Long March happily got together to review the achievements of the Long March and commemorate the 50th anniversary of its victory.

Li Ximing and Chen Xitong expressed their highest respect and earnest regards to the participating Red Army soldiers. They said: Veteran comrades who participated in the Long March are practioners of the Long March and witnesses of the history of the Long March. They made meritorious contributions to the victory of the Long March. During the several decades of revolutionary course that followed, they made tremendous contributions to socialist construction, and in the new historical period, they have continued to make contributions to the modernization drive. Today as we commemorate the 50th anniversary of the victory of the Long March, we should carry forward the Red Army's revolutionary spirit and fine traditions more successfully, conscientiously implement the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization, and successfully build the two civlizations in the capital.

Ye Zilong, Dai Xinzhong, Wang Ke, Hu Renshou, and Du Liyu, representatives of the Red Army, gave speeches at the forum. They reviewed the achievements of the Long March and recalled the heroes of the Long March. On behalf of the 3 million youths of the capital, Meng Xuenong, a youth representative, expressed the determination to carry forward the glorious traditions of the Red Army and make contributions in the new Long March to build a powerful, modern socialist state.

The age of Red Army representatives present at the forum ranged from 63 to 83. There are approximately 170 Red Army soldiers in the municipality now.

The municipal party committee and government presented two books -- "Selected Poems of Mao Zedong" and "Long March -- An Untold Story" -- to the Red Army representatives as souvenirs.

Leading comrades of the municipality, including Zhao Pengfei, Jin Jian, Li Jinmin, Li Qiyang, Zhang Mingyi, and Meng Zhiyuan, attended the forum.

SHANXI STARTS TAXATION, FINANCE, PRICE INSPECTION

HK030035 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 30 Oct 86

[Excerpts] The provincial people's government yesterday evening held a telephone meeting to assign work for the 1986 large-scale inspection of taxation, finances, and commodity prices.

Based on an instruction of the State Council, the provincial people's government decided to carry out a large-scale inspection of taxation, finances, and commodity prices in the whole province in 1986. The main targets of the inspection are to discover: 1) Evaded taxes in violation of the state's taxation law; 2) profits and other income that should have been turned over to the state but are in fact retained by

various illegal means in violation of the state's regulations on financial and accounting systems, as well as subsidies claimed from the state by pretending to be suffering losses; 3) illegal income earned by arbitrarily jacking up prices and exacting charges, in violation of the state's policy on commodity prices; 4) public funds that are lavishly spent in giving banquets, presenting gifts, issuing bonus and allowances, or providing other material benefits; and 5) money that is gained by corrupt practices and swindling. The focus of the inspection will be placed on large and medium enterprises which face many problems and suffer from chaotic administration. The whole inspection will be divided into four stages; namely, self inspection, inspection of key sectors, verification and handling, and rectification and correction. [passage omitted]

At the telephone meeting, (Zhang Tongzhou), head of the work group for the large-scale inspection of taxation, finances, and commodity prices of the State Council, emphasized that the achievements of last year's large-scale inspection should be recognized. He pointed out that it is necessary to thoroughly understand that the year's inspection is an important, necessary, and pressing task and to have stronger confidence in the success of the inspection. He urged all participants in the meeting to uphold the principle of seeking truth from facts, strictly keep in line with the policy, and try their best to properly carry out the inspection.

SHANXI PROVINCE WELCOMES FOREIGN INVESTMENT

OW011359 Beijing XINHUA in English 0733 GMT 1 Nov 86

[Text] Beijing, November 1 (XINHUA) -- Shanxi Province, China's largest coal producer, welcomes foreign investment to promote its economic development, the "PEOPLE'S DAILY" reported today.

Coal deposits in the province total more than 200 billion tons, aluminum reserves, 500 million tons, iron, 2.9 billion tons and copper, more than 3.4 million tons, the paper quoted Wang Senhao, governor of the province, as saying.

"Although the province abounds in resources," he said, "the economy is underdeveloped, and that's why we need more help from foreign investors in finance and technology."

"Priority will be given to foreign investors developing coal products, chemical industrial products, metallurgical industries, agricultural machinery and the food industry," the governor said.

By the end of June of this year, he said, "we have imported 252 technology items, with a value of more than 168 million U.S. dollars in trade volume."

Of these items, 105 have already been used in production, which will eventually add an output value of 462 million yuan (125 million U.S. dollars) of profits and taxation annually, the governor added.

He also said that there are seven major railway lines in the province, linking it with the rest of the country. "We are trying to turn them into double track lines," he added.

Jointly with the Federal Republic of Germany, the province will build a production line with an annual capacity of 300,000 tons of special steel, involving a total investment of 270 million yuan (73 million U.S. dollars).

HEILONGJIANG SECRETARY ON CONTROLLING ROLE OF BANKS

SK310418 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 Oct 86

[Text] Recently, after hearing a report by the construction banks of our province, Sun Weiben, secretary of the provincial party committee, pointed out that efforts should be made to give full play to the role of monetary departments in controlling the economy indirectly.

He said: Some of our province's sugar refineries, dairy product enterprises, flax mills, and breweries are irrationally distributed, and others are suffering deficits. From now on, leading persons should refrain from giving approvals, and banks should do more work to prevent the launching of ill-considered or duplicative projects. At present, as our funds are limited, the province should list the projects to be started in the order of priority.

Power is a factor restricting the development of the economy as a whole. With problems in power supply solved, the province will be capable of increasing its output value by 4 billion yuan without starting new projects. We should try our utmost to solve power supply problems on a priority basis. Through intensive processing, petroleum may raise its value 34 times over, and flax 100 times. Therefore, we should clarify the orientation of our future investment and use our limited funds in projects which require small input but yield quicker and greater returns.

Sun Weiben said: The masses have a considerable amount of funds in their hands. We should exert great efforts to collect and use them.

FOREIGN INVESTMENT IN HEILONGJIANG DECLINES

OW251138 Beijing XINHUA in English 0822 GMT 25 Oct 86

[Text] Harbin, October 25 (XINHUA) -- Foreigners have invested 11.66 million dollars this year in Heilongjiang Province in northeast China, opening 15 joint ventures and other enterprises with foreign capital, provincial economists said today.

This year's investment is running behind 1985's record 52.8 million U.S. dollars -- which topped the combined investment of 1983 and 1984, they said.

The new investments bring to 60 the number of joint ventures in the province and raise total foreign investment to 110 million dollars.

A nine million dollar loan from the Danish Government in 1985 has financed two dairy plants in Heilongjiang. Officials said they expected to export 700,000 liters of milk this year.

They said most of this year's foreign funds will be used to develop the processing of dairy products, linen, wood, grain, edible oil and meat, which are comparatively plentiful in the province. Most of the new joint ventures will produce exports, they said.

JILIN SECRETARY WRITES ARTICLE ON CPC RESOLUTION

SK030720 Changchun JILIN RIBAO in Chinese 23 Oct 86 p 2

[Article by Gao Di, secretary of Jilin provincial party committee: "Initial Understanding of the Guidelines of the 'Resolution'"]

[Text] The 6th plenary session of the 12th party Central Committee was a very important session. The "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" adopted at this session is a very important document bearing on the overall scheme for our country's socialist modernization, and is also a programmatic document guiding the sound development of our country's building of socialist spiritual civilization. The "resolution" adheres to and carries forward the guidelines of the 12th party congress, scientifically sums up our country's historical experiences in building socialist spiritual civilization and the fresh experiences gained since the 3d plenary session of the 11th party Central Committee, analyzes the current situation and work, and answers the new questions raised in ideological understanding and practical work. The "resolution" is filled with the spirit of materialist dialectics and seeking truth from facts, persistently proceeds from reality, and is very much to the point. Based on the new reality that an unprecedented profound change has taken place in our society, the "resolution" expounds the issues in building spiritual civilization with basic Marxist theory and from the angle of the strategy for the overall situation of socialist modernization. The starting point is very high. On many issues, it makes new explorations and development in Marxist theory.

1. In the perspective on the overall scheme for our socialist modernization, the "resolution" defines the strategic position for building spiritual civilization.

The "resolution" summarizes the overall schemes for our socialist modernization as "one key link and three types of resoluteness." That is, taking economic construction as the key link, we should resolutely carry out economic and political structural reforms and step up building spiritual civilization. Such an overall scheme represents the overall design for the socialist nation with Chinese characteristics and the general guiding ideology for our work in various fields. The scheme requires us to take economic construction as the key link, conscientiously strengthen the building of spiritual civilization while reforming the structures, and make sure that these aspects of our work are coordinated and promote each other.

Our modernization program represents a social entity which includes not only modernization in the economy and material life but also modernization in politics, indicated by a high degree of democracy, and modernization in ideology and culture. Our taking the initiative in creating a modern civilization symbolizes historical progress. Our modernization's different in nature from capitalist modernization. It should enable all the members of society to not only enjoy rich material and cultural lives, but to possess noble moral values and establish new socialist relations among men. Only such modernization can show the superiority of the socialist system and affects the future of human beings. It includes not only material civilization but also spiritual civilization. The "resolution" penetratingly discusses the relationship between the two civilizations, pointing out: "The material civilization lays the groundwork and furnishes practical experience for spiritual civilization, which, in turn, gives intellectual impetus and support to the former and provides a powerful guarantee for its correct orientation." This exposition is a step further than the formulation set forth at the 12th party congress, and is more specific. We should take economic construction as the key link, because the economy is the foundation of all civilization. [paragraph continues]

Ideological morality is formed to a certain extent through the development of social economic livelihood, economic relations, and productive forces, instead of the development of ideology itself. Thus, we must not divorce the construction of ideological morality from historical development. A material basis must be ensured for educational, scientific, and cultural construction. Without economic prosperity, modernization other fields will not be realized. On the one hand, we may say that material civilization is the foundation and conditions of spiritual civilization. The reason is simple; that is, a man cannot do other things when he does not eat his fill. On the other hand, we may say that spiritual civilization is a requirement for realizing the goal of economic construction and is a great impetus for material civilization. Lenin always said: "Communist society cannot be formed in an illiterate country." He also said: "Only when we use the overall knowledge created by mankind to enrich our minds can we become communists." Science and technology are productive forces while education is a future or latent productive force. The current economic development needs appropriate scientific, technological, cultural, and management levels. Material civilization will be realized only when the people who engage in the material civilization have a correct ideology, fighting spirit, and fine work style, and strictly enforce discipline; and when there is a political environment and atmosphere characterized by stability, solidarity, and advanced democracy. Evidence can be found in our actual lives that, to a great extent, the economically backward areas and less advanced units would rather owe their failure to the facts that they are short of talented persons, the ranks of staff members are not strong enough, and their mental state is not good enough, than have such objective factors as lacking natural resources and conditions. In short, their backwardness is due to poor spiritual civilization. We may say that if we fail to upgrade the ideological morality and the scientific and educational level of the people in China, material civilization will not move a single step and the goal of economic construction will not be realized. Socialist spiritual civilization is the key deciding the prosperity and success of socialism.

Socialist modernization includes construction in the three fields of economies, politics, and ideology and culture. Therefore, construction in these three fields must be conditioned and promote each other and must be developed in a coordinated manner. The overall construction will be damaged if construction in any one of the fields is backward or advances in the opposite direction. We say that the economy is the foundation, but we must never neglect the great impetus of spiritual civilization to material civilization. The "one key link and three types of resoluteness" set forth in the "resolution" is the structure of the overall scheme of our country's modernization. The country's modernization cannot be realized without any one of these conditions. We must understand the strategic position of the socialist spiritual civilization through this overall scheme.

The issue of handling the relationship between politics and vocational work, which had been debated endlessly from the 1960's, has been solved through the guiding principles. The "resolution" sets forth that spiritual civilization should seep into the overall construction of the material civilization and should embody each and every field of economic, political, cultural and social life. So, strengthening spiritual civilization is not only a job for the ideological and educational departments, but also a job for all fronts and all departments. Cadres, no matter what work they are engaged in, should work for the people. The fundamental task is to educate the people. In short, they should grasp it cooperatively but not independently. The "resolution" also points out that persistently grasping the two civilizations is a new task for the whole party under the new situation. We must explore, carry out, and sum up specific ways for conducting the two civilizations. It is easy to explore specific ways since we have a definite guiding ideology.

2. The "resolution" upholds not only the four basic principles but also reform and opening of our country to the outside world.

The "resolution" points out that the strategic position of socialist spiritual civilization decides that it must be a spiritual civilization that promotes socialist modernization, facilitates reform and the opening of our country to the outside world, and upholds the four basic principles. This is the basic guiding principle for building socialist spiritual civilization. This principle, to summarize, means two upholds: Upholding the four basic principles, and upholding reform and opening to the outside world. Practice since the 3d Plenary Session of the 11th CPC Central Committee proves that we should uphold the four basic principles and reform and opening to the outside world in order to build socialism with Chinese characteristics. Upholding only the four basic principles without upholding reform and opening to the outside world will lead us to the past old road. Stressing reform and opening to the outside world alone without stressing the four basic principles will make us become lost on our path of advance and make us take to evil ways. The "resolution" correctly handles the relationship between the two, and thus rids the people of their doubts and misgivings. Some people maintain that to stress upholding the four basic principles and the building of spiritual civilization means to retreat from reform and opening to the outside world, and to change policies. This is a misunderstanding. Upholding the four basic principles and upholding reform and opening to the outside world have inherent connections and constitute a dialectical unity. Instead of repelling each other, our building of spiritual civilization and our carrying out reform and opening to the outside world should promote each other. The "resolution" points out that opening to the outside world, as an unshakable basic national policy, is applicable to the building of spiritual civilization as well as material civilization. On the one hand, we should firmly reject capitalist ideological and social systems and all ugly, decadent things; on the other, we should learn from advanced science and technology, managerial experiences, and beneficial culture of various developed countries in the world with great determination and efforts in order to use them to supplement socialism. Our reform and opening to the outside world are carried out with the guidance of the four basic principles and indicate the self-perfection of the socialist system. In studying the "resolution," we should firmly grasp the orientation of upholding the four basic principles, reform, and opening to the outside world. Only in this way can we avoid deviations.

3. The need to "mobilize and unite the people throughout China with a common ideal" put forward in the "resolution" is totally compatible with China's actual situation at the present stage.

The "resolution" points out that in building socialist spiritual civilization, the basic task is to help people to have lofty ideals, moral integrity, education, and a sense of discipline, and to raise the ideological and ethical standards of the whole nation as well as its educational and scientific levels -- all in the interest of socialist modernization. This stipulation enables the people throughout the country to have a specific goal in building spiritual civilization. The "four haves" represent requirements in two fields. To "have lofty ideals, moral integrity, and a sense of discipline" requires the people to raise their ideological and ethical standards, and to "have education" requires the people to raise their educational and scientific levels.

For a long period of time, we have stressed the need to educate the people with communist ideas and to urge the people to foster communist ideals. We have actually set demands on the people by the standards of Communist Party members. It seems that people should have a high degree of socialist consciousness, and should become communists or Marxists as soon as they enter society. It is a deviation from reality, and a kind of idealism, to demand that people meet an unrealistically high demand in disregard of the level of development of the productive forces, the level of political consciousness of the people in the whole society, and basic social historical conditions. This will only lead to "high targets, but low efficiency." [paragraph continues]

We must not set such high general demands on the people. We must not ask all the people to become selfless communists. We will accomplish nothing or turn in the opposite direction if our requirements are exceedingly high. This was our past experience. In line with the actual conditions of our country and the current ideological awareness of the people throughout the country, the "resolution" sets forth different requirements for the issue of ideals. The resolution clearly sets forth that developing socialism with Chinese characteristics and building China into a culturally advanced and highly democratic modern socialist state is the common ideal of the people of all nationalities in our country. This is an essential conclusion brought about by linking basic Marxist principles with the actual conditions of our country, by linking the realization of the lofty ideal of realizing communism with the current fighting goals of our country, and by summing up the experiences gained over the past 30 years or so since the founding of the PRC, particularly the fresh experiences gained since the 12th party congress. This common ideal not only embodies the interests and aspirations of the workers, peasants, and intellectuals, and other laborers and patriots throughout the country, and reflects the common requirements of the vast number of people, but also realizes the goals pursued by people with lofty ideals in past generations. We should and can use this ideal to mobilize and unite the people of all nationalities throughout the country. By so doing can we unite the forces that can be united to develop socialism, and we can closely unite all the laborers and patriots, including Communist Party members and nonparty members, Marxists and non-Marxists, atheists and the people with religious beliefs, and fellow countrymen and Overseas Chinese, to fight for realizing the common ideal.

The common ideal set forth in the "resolution" does not discriminate against or negate the ultimate ideal. The "resolution" points out: "The ultimate ideal of our party is to build a communist society that applies the principle: From each according to his ability, to each according to his needs." The realization of the communist social system is the ultimate goal of our party as well as a source of strength and moral support for communists and other advanced people. Any communists who lack this ultimate ideal will not be called politically conscious communist fighters. The "resolution" has set high demands on Communist Party members and advanced people. Each and every communist and advanced person should enhance his communist beliefs and persist in the ultimate ideal. Party members and cadres, in particular the leading cadres, should take the lead in studying Marxism and should always play an exemplary role among the masses. Simultaneously, the resolution clearly points out that building socialism with Chinese characteristics is the only way to realize communist ideals. In order to realize the ultimate ideal, at present we should fight for realizing the common ideal. Communists who do not understand this cannot be called mature communist fighters. We must set different demands on different levels of the people with regard to pursuing ideals and morality. Only by so doing can the people accept their tasks and can we realize the common ideal. Practice will show that doing this is completely correct.

4. The "resolution" stresses further conscientiously implementing democratic principles in the ideological field, and takes construction as the key link.

The "resolution" clearly sets forth: "Bourgeois liberalization, which means negating the socialist system in favor of capitalism, totally contradicts the people's interests and the historical trends, and it is therefore firmly opposed by the masses." The "resolution" also stipulates: "We should therefore carry out the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We should encourage and support all bold explorative efforts and free debates that are based on scientific research, in order to stimulate research on Marxist theory, democratize our policy-making process and give our decision a more scientific basis." It also points out: "When it comes to academic issues and issues relating to the arts, we must abide by the principles of creative writing, freedom of discussion, and freedom of criticism and counter-criticism." [paragraph continues]

This opens up a road for promoting democracy to a new historical height; creates a stable, united, democratic, and harmonious atmosphere for development of the role of Marxism in guiding science and arts, and in making science and culture flourish; and also provides favorable conditions for the modernization program and for us to carry out reform and brave our way forward. "Letting a hundred flowers blossom and a hundred schools of thought contend" does not mean engaging in bourgeois liberalism, but is an expression of socialist democracy. Here we should reemphasize brave explorations and free discussions based on scientific research as pointed out in the "resolution." Explorations and discussions should all be based on scientific research. We should not make subjective assumptions or make irresponsible speeches or acts. We should pay attention to this.

The "resolution" thoroughly rejects the "leftist" erroneous method of "taking class struggle as the key link." The "resolution" earnestly sums up that after our country's socialist transformation was by and large completed and changes took place in the major problems in society, a long-standing and grave mistake of the party was its failure to shift the work focus to economic construction in a timely manner, its adherence to class struggle as the key link, its underestimation of the importance of education, science and culture, and its exaggeration of class struggle in the ideological field to the extreme until the occurrence of the "Great Cultural Revolution" and domestic turmoil. Comrade Xiaoping once said that "leftism" was the cause of the stagnation in China's development for more than 2 decades after 1957. It is precisely based on a nuclear understanding of past mistakes that the "resolution" points out that "we should always keep national construction in the forefront of our thoughts. We should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards, and to develop education, science and culture. In short, we should do everything possible to facilitate the growth of the productive forces." This requires us to never again magnify class struggle in the ideological sphere, but to keep national construction in mind in doing everything and make building spiritual civilization serve to promote the productive forces and economic construction. The component parts of the building of spiritual civilization, including the building of ideals, moral integrity, culture, democracy and sense of the legal system, should all be based on constitution, contributions, and development. We must never resort to the past method of "putting destruction first" and "blazing a road with mass criticism."

The "resolution" points out: "The development of education, science, and culture is a prerequisite not only for material civilization but also for raising the people's ideological and ethical standards." We should guarantee the fulfillment of the tasks for cultural construction as we do to fulfill the tasks for economic construction. The "resolution" emphasizes: "It is particularly important to expand education and scientific research. They are among the strategic priorities in our overall scheme for socialist modernization, because without them, not only can there be no spiritual civilization, but there can be no sustained economic growth." Improvement of our scientific level also depends on education. We should attach great importance to education. This is the most important "construction."

5. The "resolution" accurately exposes the position and role of Marxism in building spiritual civilization.

The "resolution" not only systematically, comprehensively, and profoundly expounds the issues related to spiritual civilization in line with the basic Marxist principles, but also expounds in a particular section the guiding role of Marxism in building spiritual civilization. The resolution definitely points out: "To modernize China and build a spiritually civilized socialist society, it is essential for us to adhere to Marxism-Leninism-Mao Zedong Thought as our guiding theory." We must firmly grasp this.

Marxism is a science that constantly enriches and develops itself in keeping with the historical and scientific advance. Far from exhausting truth, it constantly opens up new avenues to truth in practice. Persisting in and developing Marxism is an accurate understanding of and an accurate attitude toward Marxism. By summing up the experiences and lessons gained over the past few years, the "resolution" thoroughly expounds the relationship between persisting in and developing Marxism. It clearly points out: "Instead of using fossilized concepts to interpret life, we must proceed from reality, make practice the sole criterion for verifying truth, and jettison all those judgments and conclusions that have proved wrong in actual practice or are out of keeping with changing realities. This is the only way to ensure that Marxism will keep abreast of social change and serve to guide it, and that is the way both to uphold Marxism and develop it, as the two are integrated in our practice of revolution and construction."

Our country has scored tremendous achievements in persistently conducting reform and opening the country to the outside world since the 3d Plenary Session of the 11th CPC Central Committee. Great changes have taken place in many fields and our country has had a great impetus on the international situation. The most important reason is that our party has persisted in and developed Marxism. Reform and the work of opening the country to the outside world have been carried out under the guidance of Marxism and are not divorced from Marxism. We must persistently and unshakably carry out reform and the work of opening to the outside world, since we still far lag behind in these areas instead of overdoing them. We are required to conscientiously and further closely link the basic Marxist principles with our country's actual conditions, and to persist in and develop Marxism in the course of reform and construction.

The premise of persisting in and developing Marxism is conscientious study. Without conscientious study we will be unable to talk about Marxism. The "resolution" asks party-member cadres, in particular leading cadres and the cadres in charge of ideological work, to take the lead in conscientiously studying Marxism. The masses, particularly the young people, are also encouraged to study it. We must overcome the tendencies of neglecting the study of Marxist theory, of the content of study being divorced from reality, and of the study methods being dull and monotonous. On the contrary, we should gradually form practices of respecting theory, ceaselessly upgrading our understanding of theories and policies, and enhance foresight, initiative, and creativeness. This is the fundamental principle to understand and implement from the "resolution."

The content of the "resolution" is rich and profound. I have set forth the five issues above to talk about my preliminary understanding of the resolution and to study it together with comrades.

LIAONING CPPCC STANDING COMMITTEE MEETING ENDS

SK310731 Shenyang LIAONING RIBAO in Chinese 20 Oct 86 p 1

[Text] After a 5-day session, the 19th Standing Committee meeting of the 5th provincial CPPCC Committee concluded in the Liaoning Building on 18 October. The major item of the meeting's agenda was to study the "resolution" adopted by the CPC Central Committee with regard to the guiding principle of building socialist spiritual civilization.

During the meeting, Xu Shaofu, member of the CPC Central Committee and chairman of the provincial CPPCC Committee, delivered a report relaying the spirit of the 6th Plenary Session of the 12th CPC Central Committee, Yu Jingqing, vice chairman of the provincial CPPCC Committee made a report relaying the speech made by Sun Qi, deputy secretary of the provincial party committee, at the enlarged meeting sponsored by the provincial party Standing Committee.

At the meeting, the participating comrades earnestly read the documents, learned about the spirit of the documents, held close discussions, and put forward many favorable opinions for further studying and implementing the "resolution" and enhancing the building of spiritual civilization throughout the province.

During the meeting, Liu Qingkui, vice chairman of the provincial CPPCC Committee, made a speech regarding the opinions of recommending personnel for membership in the provincial CPPCC Committee. The meeting also adopted a decision on personnel changes. To conclude the meeting, Niu Pingfu, vice chairman of the provincial CPPCC Committee, delivered a speech on studying and implementing the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee.

Attending the meeting were vice chairmen of the provincial CPPCC Committee including Zhang Yan, Chen Yanzhi, Liu Mingjiu, Lu Guangji, Zhao Longtao, and Yue Weichun, and Xu Hongwen, secretary general of the provincial CPPCC Committee. Among those invited to attend the meeting as observers were responsible comrades from the CPPCC committees of various cities.

BRIEFS

JILIN KEY PROJECT INVESTMENT -- As of the end of August, Jilin Province had invested a total of 429.68 million yuan in the construction of key projects, which was 52.2 percent of the annual plan, an increase of 7.9 percent over the same period of 1985 and exceeding the provincial average of investment in construction projects by 6.2 percent. About 68.1 percent of the annual investment plan for local key construction projects had been fulfilled, 22 percent more than the same period of 1985 and exceeding the provincial average by 22.1 percent. [Summary] [Changchun JILIN RIBAO in Chinese 6 Oct 86 p 1 SK]

JILIN SAVINGS DEPOSITS -- By mid-October, savings deposits of the urban and rural areas in Jilin Province amounted to 3.74 billion yuan, a 17.3 percent increase over the same period of 1985, overfulfilling the annual target by 17 million yuan. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 28 Oct 86 SK]

LIAONING OUTSIDE FUND USE -- Liaoning Province has scored large achievements in utilizing outside funds and opening enterprises to outside investment. Since the end of 1978, the province has signed 964 contracts with foreign countries on opening joint ventures and introduced \$1,215,430,000. Of this sum, investments by foreign businessmen have reached \$936.92 million, which can be converted into 2.8 billion yuan and is equal to 20 percent of the province's investments in technical renovations during the same period. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 26 Oct 86 SK]

NINGXIA STUDIES SIXTH PLENARY SESSION DOCUMENTS

HK030825 Yinchuan NINGXIA RIBAO in Chinese 17 Oct 86 pp 1, 3

[Report: "Regional CPC Committee Holds a Meeting To Study Documents of the 6th Plenary Session of the 12th CPC Central Committee"]

[Excerpts] From 8 to 15 October, the regional CPC Committee held a meeting to study the documents of the 6th Plenary Session of the 12th CPC Central Committee. Responsible comrades of the regional CPC Committee Li Xuezhi, Hei Boli, Hao Tingzao, Shen Xiaozeng, Liu Guofan, and others presided over the meeting. Some 210 persons attended the meeting, including responsible comrades of the regional CPC Committee Standing Committee, regional People's Congress Standing Committee, regional government, and regional CPPCC; responsible comrades of various departments of the autonomous region; and secretaries and propaganda directors of various prefectural, city, and county CPC committees.

One of the characteristics of the meeting was a strong study atmosphere. Instead of making a general statement on positions and going through the motions, regional leading comrades worked together with responsible comrades from various departments, localities, and units to pay attention to comprehensively and accurately grasping the gist of the document. All the participants took a serious attitude, said what was on their minds, linked theory with practice, and scrutinized the "Resolution of the CPC Central Committee on the Guiding Principle for the Building of Socialist Spiritual Civilization" paragraph by paragraph and sentence by sentence (hereinafter called "resolution" for short). They studied it conscientiously. Comrades unanimously held that they achieved considerable results by employing this method of study and that they were more clear about the strategic position on the building of socialist spiritual civilization, basic guiding principles, and fundamental tasks. They also gained a new understanding of the contents of the establishment of ideals, moral and cultural building, and the concept of the democratic legal system, which are inseparable from Marxist guidance and theoretical building. They further realized the importance of the party's role in the building of socialist spiritual civilization. [passage omitted]

The current problem is that the building of spiritual civilization in our region has not yet conformed with the demands of the development of socialist modernization, reform, and opening up. Some comrades lack sufficient understanding of the strategic importance of the building of spiritual civilization. They attach importance to the building of material civilization, but take lightly the building of spiritual civilization. They have not yet smoothed out or coordinated the relationship between the building of the two civilizations. No efforts have yet been made to give full play to the power and conditions for the building of spiritual civilization. Some facilities and conditions are comparatively poor in this regard. All this should be conscientiously solved in the process of implementing the "resolution" in the future.

At the closing of the meeting, Comrade Li Xuezhi delivered a speech. He said: Through conscientious study over the past few days, comrades have generally deepened their understanding of the "resolution." They have unified their thinking and enhanced their understanding. This is a good beginning and has laid a good foundation for in-depth study, propaganda, and implementation of the "resolution." The "resolution" involves a wide range of subjects, has a profound meaning, and is rich in content. Our current study is only preliminary, and we should continue to carry out in-depth study in the future.

The meeting urged leaders at all levels throughout the region to strengthen their unity, further bring their drive into full play, and do their work well to promote the development of various construction projects in the region. [paragraph continues]

They should greet the convention of the 13th party congress with outstanding achievements made by various fronts in reform, opening up to the outside world, and enlivening the economy.

Comrade He Boli, regional deputy party secretary, made a speech on the current economic situation in the region and on the next year's economic work. Liu Guofan, regional deputy party secretary, and Cai Zhulin, member of the regional CPC Committee Standing Committee, delivered a report on the current situation and discussed the relevant issues. Wen Li, secretary of the regional CPC Committee Discipline Inspection Commission, relayed the spirit of the Eighth Plenary Meeting of the Central Discipline Inspection Commission.

QINGHAI CADRE IMPRISONED FOR CORRUPTION, POWER ABUSE

Section Chief Sentenced

HK040553 Xining Qinghai Provincial Service in Mandarin 2330 GMT 31 Oct 86

[Excerpt] (Cheng Shuzhi), a former cadre section chief of the Qinghai Province Postal and Telecommunications Administrative Bureau, abused his power to embezzle public funds in collaboration with others and was involved in speculation and profiteering. As his activities constituted a crime of corruption, the people's court of Chengxi District of Xining City yesterday afternoon sentenced him to 5 years' imprisonment according to law. [passage omitted]

Commentary on Corruption Case

HK040555 Xining Qinghai Provincial Service in Mandarin 2330 GMT 31 Oct 86

[Station short commentary: "Never Let Those Who Abuse Their Power Have Their Way"]

[Excerpts] (Cheng Shuzhi), a former cadre section chief of the provincial Postal Telecommunications Administrative Bureau, who abused his power to seek personal interests, has been punished under party discipline and the state law. This once again shows our party's determination to eliminate evil tendencies. [passage omitted]

The fact that (Cheng Shuzhi) was able to abuse his power shows that our cadre employment system has some shortcomings and our system of selection, assessment, and supervision of cadres is unsound. We must draw a lesson from this case, reform and improve step by step our cadre system, [words indistinct], and other systems, so that those who abuse their power to seek personal interests cannot take advantage of any loopholes.

At present the process of rectifying party style is proceeding in depth along the right track. The practice of making use of power to seek personal interests is one of the problems we have to deal with in rectifying party style and redressing unhealthy tendencies. To do a solid job in rectifying party style, we must follow the CPC Central Committee's instructions, thoroughly investigate cases that should be investigated, and resolutely penalize those who should be penalized, without giving consideration to their feelings and relations.

QINGHAI'S XINING CITY SELECTS ARMY RECRUITS

HK300723 Xining Qinghai Provincial Service in Mandarin 2300 GMT 28 Oct 86

[Text] The registration work of conscription for winter 1986 in Xining City has been completed.

More than 3,100 youths of draft age have signed up for enlistment. Many of them are from specialized households and families of minority peoples and some are relatives of soldiers who are now fighting on the Yunnan frontline. These young people have pledged their determination to go where conditions are hardest, to temper themselves in battle, and to dedicate themselves to the service of their country.

At present the draft work in Xining City has entered the stage of selecting new recruits.

SHAANXI SECRETARY MEETS JAPANESE DELEGATION

HK311306 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 31 Oct 86

[Text] On the afternoon of 30 October, Bai Jinian, secretary of the provincial party committee, met the members of a Sino-Japanese agricultural goodwill delegation from Nagano Prefecture led by (Dajie Daozhu). In 1949, the province established friendly agricultural relations with Nagano Prefecture of Japan.

In the course of the meeting, Bai Jinian said: [words indistinct]. The friendly exchanges between the province and the prefecture have been greatly developed. These exchanges have promoted the province's development in terms of agriculture, science, and technology.

(Dajie Daozhu) said: We have scored fruitful successes on this visit. We have seen China's agricultural development situation. [words indistinct] He said that he would introduce China's development to his fellow countrymen after returning to Japan, so that more Japanese would understand China. [words indistinct]

The delegation arrived in Xian on the morning of 30 October.

SHAANXI TO CONDUCT FINANCIAL, TAX INSPECTION

HK300729 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 28 Oct 86

[Text] The provincial government has decided to conduct a thorough inspection of taxation, finances, and prices throughout the province from now until next year's Spring Festival.

Yesterday afternoon the provincial government held a mobilization meeting. Vice Governor Zhang Boxing made arrangements for the inspection. The focus of this year's inspection should be on problems occurring in 1986 and the problems which occurred in 1985 and which have not yet been examined and handled.

The main content of the inspection is to discover violations of state regulations of the taxation law, tax evasion, refusal to pay taxes, and the exemption and reduction of taxes without authorization and beyond the limit of one's power; violations of state financial and accounting regulations, adopting various means to seize and retain profits that should be submitted to the state and other incomes, and making false accounting reports of losses in a bid to gain financial subsidies from the state by cheating; violations of the state pricing policy by arbitrarily increasing prices, collecting charges, and seeking illegal income; using public money to give dinner parties and present gifts to guests, wantonly issuing bonuses, subsidies, and material objects, squandering and wasting public money buying special goods under state control; and corruption, cheating, accepting bribes, and lining one's pockets with public money.

At yesterday's mobilization meeting, Vice Governor Zhang Boxing said that the province had achieved good results in last year's inspection of taxation, finances and prices.

Not only were many violations of law and discipline discovered in the economic field, but the inspection also promoted further improvement of party style and the general social mood.

Zhang Boxing demanded that policies be strictly implemented in this year's inspection. While supporting the policy of opening up to the outside world and enlivening the domestic economy, it is necessary for us to seriously investigate and severely punish various acts in violation of law and discipline, so as to ensure the smooth progress and healthy development of the reform and safeguard the normal and legitimate interests and rights of all parties.

SHAANXI CADRES AWARDED FOR GRASS-ROOTS SERVICE

HK311038 Xian Shaanxi Provincial Service in Mandarin 0100 GMT 30 Oct 86

[Text] A meeting to sum up experience in sending the first group of cadres of provincial organs to the rural areas concluded on 29 October.

Provincial party committee Secretary Bai Jinian and Deputy Secretary Zhou Yaguang presented certificates of merit and prizes to 15 advanced work teams, 5 advanced work groups, and 108 advanced individuals.

In his summation speech, Zhou Yaguang stressed that sending a large number of cadres to grass-roots units must serve three purposes: 1) To strengthen work in the grass-roots units; 2) to train and temper cadres; and 3) to improve the work style of administrative organs. He said that as seen from the practice of the first group of cadres sent to the rural areas, the first two purposes have been achieved. Now we must bring the good ideology, style, and experiences that the cadres learned in the rural areas back to administrative organs to swing the work of administrative organs to the orbit of serving the grass roots and the masses.

Zhou Yaguang said that sending 20 percent of the cadres of provincial organs to the rural areas helps eliminate the idea that more people means better work. He demanded that the second group of cadres of provincial organs to be sent to the rural areas conduct investigations throughout their work at the grass roots and provide leaders at all levels with the fruitful results from their investigations as a basis for making correct policy decisions.

XINJIANG CPC COMMITTEE HOSTS WORK CONFERENCE

Conference Opens

HK280915 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Oct 86

[Text] The regional party committee opened today in Urumqi a work conference of People's Congress Standing Committees of the whole region. The main task of the conference is to seriously study and act in the spirit of the 6th Plenary Session of the 12th CPC Central Committee and implement the instruction of the CPC Central Committee on resolutely upholding the socialist legal system by the whole party.

The conference will also study the circular of the regional party committee on further strengthening the work and setup of the regional People's Congress Standing Committee and giving full play to its role as the organ of state and local power. Under the new historical conditions, it should further strengthen the party's leadership over the work of the People's Congress Standing Committee, as well as further do well in the work of the People's Congress Standing Committee, so that the region's People's Congress Standing Committees at various levels will play their roles in the areas of promoting reforms and building the two civilizations.

It is the first time in the region that responsible comrades of the region's People's Congress Standing Committees jointly discussed ways of doing well in the work of People's Congresses.

(Yang Guoying), Standing Committee member of the regional party committee, urged all participating comrades to make the best use of this opportunity, enthusiastically take part in the conference, and discuss matters from the viewpoint of perfecting the economic structural reform and strengthening spiritual civilization.

Secretary Addresses Conference

HK030835 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 31 Oct 86

[Text] A regional conference on the work of standing committees of People's Congresses sponsored by the Xinjiang regional party committee closed in Urumqi this morning. The conference demands that party committees at all levels take real action to strengthen leadership over the work of standing committees of People's Congresses and give full play to their role as organs of power.

Participants in the conference conscientiously studied the resolution on the guiding principles for building a socialist society with advanced culture and ideology adopted by the 6th Plenary Session of the 12th CPC Central Committee, the central authorities' instruction on resolutely safeguarding the socialist legal system, and the regional party committee's circular on strengthening the work and building of standing committees of People's Congresses. They took part in heated discussions and exchanges of experience.

Song Hanliang, regional party committee secretary, delivered a speech at the closing session of the conference. He said: Since their establishment, the standing committees of People's Congresses at all levels have earnestly enforced the Constitution and exercised the duties and powers vested in them by state law, have done a lot of work, and have achieved great success under the leadership and support of the party committees at the corresponding levels and in cooperation with the governments, courts, and procuratorates.

They have made contributions to the building of the democratic and legal system and development in various fields in the region.

Song Hanliang said: Party committees at all levels and leading cadres who are party members must thoroughly understand the supreme importance of consolidation of the democratic and legal system; enhance their understanding of the nature, position, and role of the People's Congress Standing Committee; and thus make efforts to build the standing committees of People's Congresses at all local levels into organs of the people's power with real authority. They must assist standing committees of People's Congresses in exercising their duties and powers according to law. Meanwhile, People's Congresses and their standing committees must strengthen supervision in accordance with law and assist governments, courts, and procuratorates in their work through supervision.

Song Hanliang emphasized: Strengthening the party's leadership is the basic factor to guarantee improvement of the work of People's Congress Standing Committees. Party committees at all levels absolutely must assist standing committees of People's Congresses in exercising their duties and powers. They must be adept at finding out the people's desires through People's Congresses and their standing committees, and must assign key tasks according to the party's intentions. Party committees and governments at all levels must enthusiastically help People's Congress Standing Committees solve some real problems and prepare requisite conditions for the improvement of work.

Responsible comrades of the regional party committee Tomur Dawamat, Amudun Niyaz, and (Liang Guoying) also delivered speeches at the conference.

XINJIANG PLA PARTY MEETING STUDIES RESOLUTION

HK040227 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Nov 86

[Excerpts] The party committee of the Xinjiang Military District held a plenary meeting from 29 October to 1 November to seriously study the resolution of the 6th Plenary Session of the 12th CPC Central Committee on the guiding principles for building socialist spiritual civilization. In conjunction with the actual situation in building spiritual civilization in the units of the military district, the meeting focused on studying views and measures for implementing the resolution. The meeting demanded that the leading cadres and organs first seriously study and absorb the spirit of the resolution, strengthen organizational leadership and theoretical guidance for study in the PLA units, regard studying and implementing the spirit of the resolution as a major affair, and stimulate the building of spiritual civilization and modernization in the units of the military district. [passage omitted]

Tang Guangcai, political commissar of the military district, spoke at the conclusion of the meeting. He said: Since the 12th party congress, the units of the military district have done a lot of work in building spiritual civilization and scored a certain degree of success. However, we lag far behind the demands of the resolution. The resolution has now put forward new hopes and demands regarding the building of spiritual civilization in the Armed Forces. We must continue to work hard at this. [passage omitted]

HONG KONG

PRC TO ESTABLISH FOREIGN MINISTRY BASE IN 1987

HK040705 Hong Kong SOUTH CHINA MORNING POST in English 4 Nov 86 p 1

[By Michael Chugani]

[Text] China is preparing to base permanently in Hong Kong up to eight senior experts from the Foreign Ministry to handle matters related to the transfer of the territory to Chinese rule.

The diplomats, from the Hong Kong and Macao Affairs Office of the Foreign Ministry, are expected to arrive by February.

All are members of the various expert sub-groups formed under the Joint Liaison Group [JLG] -- a body of Chinese and British diplomats set up to oversee the smooth implementation of the 1997 agreement.

A search is now under way to find a suitable headquarters for the diplomats.

Although little is being said about the plan to send Chinese JLG diplomats here, the SOUTH CHINA MORNING POST understands the move follows a British request that Hong Kong be used as a base for the experts.

British officials recently told the Chinese they faced problems holding JLG subgroup meetings in Beijing, because some of the data required by British negotiators in Hong Kong issues is at times not immediately available at the British Embassy in Beijing.

These issues range from the sensitive new "right of abode" identity cards to the question of Hong Kong's participation in international treaties and organisations after 1997.

For this reason, the British side asked that a team of Chinese diplomats be permanently based in Hong Kong so that expert talks by the various sub-groups, which prepare the ground for final decisions by the full Joint Liaison Group, could be held regularly here rather than alternating with Beijing.

The Beijing leadership is understood to have accepted the proposal.

JUSTICE GROUP MEETS JI PENGFEI IN BEIJING

OW021248 Beijing XINHUA in English 1204 GMT 2 Nov 86

[Text] Beijing, November 2 (XINHUA) -- Ji Pengfei, State Councillor and director of the Hong Kong and Macao Affairs Office under the State Council, met a justice delegation from Hong Kong headed by Sir Alan Armstrong Huggins, deputy chief justice of the Supreme Court, here today.

The delegation arrived here yesterday at the invitation of the China Law Society.

DAILY REPORT

FBI

CONTENTS

China

Vol I No 214

5 November 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Holds Weekly News Briefing	A 1
Swiss Minister To Visit	A 1
Nakasone To Meet Leaders	A 1
Seeks U.S. Military Technology	A 1
Speaks on Cambodia Issue	A 2
PRC Journal on Trend of U.S.-Soviet Contention	A 2
[GUOJI WENTI YANJIU 3 Oct]	
PRC Urges Timetable for USSR Afghan Withdrawal	A 11
Wan Li Meets Asian Science Federation Official	A 11

UNITED STATES

U.S. Warships Arrive, Welcomed in Qingdao	B 1
Beijing To Host Financial Symposium on U.S.	B 1

SOVIET UNION

PRC Trade With USSR Develops Vigorously	C 1
---	-----

NORTHEAST ASIA

Li Xiannian Meets Japanese Friendship Official	D 1
DPRK Vice President Meets Heilongjiang Group	D 1

SOUTHEAST ASIA & PACIFIC

Burmese Deputy Foreign Minister Leaves for PRC	E 1
PRC Delegate Addresses Bangkok ESCAP Session	E 1

WESTERN EUROPE

Netherlands Prime Minister Meets NPC Delegation	G 1
Wu Xueqian Attends Belgian Minister's Reception	G 1
Reaction of West Europe to Iceland Meeting	G 2
[RENMIN RIBAO 31 Oct]	
Xu Xin at Italian Armed Forces Day Reception	G 3

EASTERN EUROPE

Polish State Council Official Feted in Beijing	H 1
PRC Envoy Given Order of Yugoslav Flag by Hasani	H 1
Guizhou Delegation Winds Up Yugoslavia Visit	H 1

MIDDLE EAST & AFRICA

XINHUA Analyzes U.S. Hostage's Release in Lebanon

I 1

WESTERN HEMISPHERE

Hu Qili Meets Bolivian Revolutionary Group

J 1

Peng Zhen at NPC Peruvian Relations Reception

J 1

PRC NATIONAL AFFAIRS

LIAOWANG Discusses CPC Session Resolution

K 1

[OVERSEAS EDITION 27 Oct]

HONGQI on Improvement of Cadres' Work Style [1 Oct]

K 2

Party Leaders' Children Convicted of Crimes

K 4

[HONGKONG STANDARD 3 Nov]

Article Lists Leaders' Children Who Study Abroad

K 5

[HONGKONG STANDARD 3 Nov]

RENMIN RIBAO on Aeronautic Technology Progress [27 Oct]

K 7

Xichang Satellite Launching Site To Be Developed

K 8

[WEN WEI PO 4 Nov]

Zhang Aiping Opens Defense Technology Exhibition

K 9

Bank Expands Loans to Foreign-Funded Enterprises

K 10

Article Views Outlook For Sales to China

K 10

[HONGKONG STANDARD 3 Nov]

National Conference on Electronic Exports Ends

K 12

RENMIN RIBAO on Development of Mountain Areas [27 Oct]

K 12

Symposium Held

K 12

Commentator's Article

K 13

[RENMIN RIBAO 27 Oct]

National Social Science Research Meeting Ends

K 14

National Commission for UNESCO Holds Meeting

K 15

Ye Jianying's Ashes Interred in Guangzhou

K 15

Deng Liqun, Mao Zhiyong Visit Hunan Ceremony

K 16

Deng Liqun Attends He Long Statue Unveiling

K 16

Xi Zhongxun Attends Exhibit, Hall Dedication

K 17

Ba Jin's Last Work To Be Essay Collection

K 18

Sanxia Project Studies To Be Completed

K 19

[WEN WEI PO 29 Oct]

Li Peng Supports New Traffic Control Plan

K 19

Wan Li Inspects Jiangxi Porcelain City

K 20

Yu Qiuli, Xing Chongzhi at Dual-Training Meeting

K 21

[HEBEI RIBAO 19 Oct]

Central Leaders Attend WEN HUI BAO Forum [28 Oct]

K 22

Song Jian Heads Marine Resources Leading Group

K 23

Visits Patent Exhibition

K 24

RENMIN RIBAO Carries HONGQI Table of Contents [30 Oct]

K 24

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Officials Predict Record Harvest

O 1

Jiangsu Fans Demonstrate After Football Match [AFP]

O 1

Jiangsu Opens Towns to Foreign Investment

O 2

Jiangxi Leaders Attend East China Economic Meeting

O 3

Shandong County, Township To Elect People's Congress

O 3

Shandong Secretary Views Reunification Art Exhibit
 [DAZHONG RIBAO 20 Oct]
 Zhejiang's Wang Fang on Team, Group Building

O 4
 O 4

CENTRAL-SOUTH REGION

Guangdong Initiates Farmland Use Charges
 Guangzhou Measures Encourage Foreign Investment
 Guangxi Production Figures Show Good Situation
 Hubei Leaders Inaugurate Martyr's Cemetery
 Smugglers of Cultural Relics Punished in Hunan
 Government Employees Sentenced
 Dismissed Case Reinvestigated
 Hunan Praised for Rural Public Health Reform
 Briefs: Hunan Small Towns

P 1
 P 1
 P 2
 P 2
 P 3
 P 3
 P 4
 P 5
 P 5

NORTH REGION

Tianjin Official Writes Article on Joint Ventures
 [TIANJIN RIBAO 13 Oct]
 Urban Credit Cooperatives To Appear in Tianjin
 Tianjin Power Transmission Line Operational

R 1
 R 6
 R 6

NORTHEAST REGION

Heilongjiang, Nei Monggol Sign Economic Agreements
 Heilongjiang Official Speaks on Intellectuals' Work
 Jilin Secretary Receives Hami Prefectural Group
 Jilin Arranges Jobs for Retired Veterans
 [JILIN RIBAO 22 Oct]
 Liaoning Grain Purchasing Policy Detailed

S 1
 S 1
 S 2
 S 2
 S 3

NORTHWEST REGION

Shaanxi Holds Party Rectification Conference
 Shaanxi Conducts Education Work Meeting
 Shaanxi Vigorously Develops Individual Economy

T 1
 T 1
 T 2

TAIWAN

Economic Official Urges Fewer Exports to U.S.
 Democratic Progress Party Banned From Election
 [CHINA POST 31 Oct]
 Interior Minister Urges Fair, Open Elections

V 1
 V 1
 V 2

FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Swiss Minister To Visit

OW051106 Beijing XINHUA in English 1035 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- Pierre Aubert, vice-president of the Federal Council and Minister of Foreign Affairs of Switzerland, will pay an official visit to China from November 11 to 16 at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian.

This was announced by a Chinese Foreign Ministry spokesman at the weekly news briefing here today.

Responding to a question, the spokesman disclosed that Chinese Vice-Minister of Foreign Affairs Zhou Nan will pay a friendly visit to Portugal in mid-November at the invitation of the Portuguese Government.

Nakasone To Meet Leaders

OW051110 Beijing XINHUA in English 1102 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone will exchange views with Chinese leaders on the further development of Sino-Japanese friendly relations and international issues of mutual concern during his forthcoming China visit scheduled for November 8 and 9, a Chinese Foreign Ministry spokesman announced here today.

The spokesman said at the weekly news briefing that, at the invitation of the Chinese Communist Party General Secretary, Hu Yaobang, Nakasone will attend a cornerstone-laying ceremony for the China-Japan Youth Exchange Center, to be held here on the afternoon of November 8. Hu will meet Nakasone and give a dinner for him the same day.

Nakasone is scheduled to meet Deng Xiaoping, chairman of the Communist Party Central Advisory Commission, and Chinese Premier Zhao Ziyang separately on the morning of November 9, the spokesman said. The prime minister will leave for home after giving a press conference at noon that day.

On Sino-Japanese relations, the spokesman said the main trend is fine and healthy and there has been considerable development. However, he added, in the course of development some problems cropped up, which both sides handled properly.

The spokesman expressed the belief that Nakasone's China visit will constitute a positive contribution to the healthy and smooth development of Sino-Japanese friendship.

Seeks U.S. Military Technology

OW051130 Beijing XINHUA in English 1121 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- While relying mainly on its own efforts for modernizing its national defense, China hopes to introduce a small amount of military technology and equipment from friendly countries including the United States, a Foreign Ministry spokesman said here today.

In reply to a question, the spokesman said: "We're willing to conduct all kinds of technical exchange with all countries friendly to us."

On the U.S. military vessels' visit to Qingdao, the spokesman said it is a friendly, courtesy call. It is China's policy not to allow foreign military vessels carrying nuclear weapons to visit Chinese ports, the spokesman reiterated.

Speaks on Cambodia Issue

OW051202 Beijing XINHUA in English 1137 GMT 5 Nov 86

[Text] Beijing, November 5 (XINHUA) -- A Foreign Ministry spokesman today rejected a report about Chinese Vice-Premier Tian Jiyun holding talks with senior Vietnamese officials on the Kampuchean issue while in Bangkok as "entirely groundless".

In reply to a question at the weekly news briefing this afternoon, the spokesman said: "So long as Vietnam pursues its policy of aggression against Kampuchea and opposition to China and refuses to withdraw all its aggressive troops from Kampuchea, direct contacts or talks between China and Vietnam are out of the question."

He said China hopes to see a political settlement of the Kampuchean issue on the basis of the eight-point proposal of the Democratic Kampuchea Coalition Government and the establishment of a coalition government formed by various political forces.

The spokesman said that China is not in favor of any single faction of the political forces governing Kampuchea nor exclusion of any faction from the coalition government.

PRC JOURNAL ON TREND OF U.S.-SOVIET CONTENTION

HK041200 Beijing GUOJI WENTI YANJIU in Chinese No 4, 13 Oct 86 pp 21-25

[Article by Zhang Wuwei (1728 2477 3956): "New Trends of U.S.-Soviet Regional Contention" -- first paragraph printed in boldface]

[Text] A trend of aggravation has appeared in U.S.-Soviet regional contention. The Reagan administration is stepping up the implementation of the policy of regional contention, with the purpose of "pushing back" the progress the Soviet Union made in some regions during the 1970's. The Soviet Union is strengthening its political and diplomatic offenses and adopting flexible and cautious tactics to consolidate the positions it has already gained, while seeking opportunities to make further advances. A new situation of turbulence has appeared in various regions, but the general relationship between the United States and the Soviet Union remains unchanged. Both have set certain limitations, both find their abilities not equal to their ambitions, and both need to accumulate strength. The regional contention will be a protracted seesaw battle.

I. Regional Contention Is Being Aggravated Day by Day [subhead]

At present, the struggle between the United States and the Soviet Union for world hegemony is still at a stalemate. However, some marked changes have taken place in U.S.-Soviet contention since Reagan started his second term of office and Gorbachev came to power. [paragraph continues]

On the one hand, they both returned to the nuclear disarmament talks, trying to find some "rules" for controlling the level of nuclear arms competition. Despite their disputes, the talks are still going on. On the other hand, there has appeared a trend of stepping up their contention in the Third World. The characteristics of this new trend of stepping up regional contention are as follows: 1) Judging from the manner of contention, the United States appears to be more aggressive than the Soviet Union, which appears to be firm but gentle. The United States has made greater efforts to carry out "Reaganism" -- it has changed its previous covert support to open and forceful support for the guerrillas and anti-government forces in Afghanistan, Nicaragua, and Angola; it has changed its policy of giving indiscriminate support to all pro-U.S. and anti-communist autocratic powers and emphasized "democratization" instead, while at the same time, fostering a third force in some regions; it has also allotted \$1.7 billion in special funds to work out a plan for "low-intensity warfare," ready to take quick military actions whenever necessary in the regional contention while preventing frontal engagement with the Soviet Union. To counter the U.S. challenge, the Soviet Union has adopted some flexible but cautious tactics, including enhancing the strength of some countries which are of strategic importance to the Soviet Union, improving in an extensive way the relationship with some moderate developing countries, and continuing to enhance the military strength of some important strategic regions. 2) Judging from the ways and tactics of contention, both the United States and the Soviet Union have made use of regional clashes and various economic difficulties of the developing countries to conduct infiltration and nibbling by various means. The Soviet Union has made full use of political means, trying to organize a united front to isolate the United States. The United States has attached importance to making use of the economic difficulties of the Third World countries and their demands for funds and technology to offer aid to them through careful selection, trying to consolidate their positions and to undermine the foundation of the Soviet Union so that the contention in the near future can be combined with its long-term strategic purpose of containing communism. On most occasions, the United States and the Soviet Union are contending with each other in some hot spots through supporting their "agents." While stepping up the contention, both sides have also paid attention to strengthening control. 3) Judging from the focus of the contention, both the United States and the Soviet Union have strengthened their control and influence on certain neighboring countries, making them "forbidden areas" for the other side. As to the remote countries greatly influenced by the other side, they have mainly tried to contain them by political means. Although the United States has assumed the posture of hitting out in all directions, it actually has its focus. The Asia-Pacific region has now become a focus of U.S.-Soviet contention, with both sides attaching greater importance to it. Meanwhile, their contention in the Middle East is also becoming more and more acute.

From these characteristics we can see that in the arms competition and regional clashes between the United States and the Soviet Union, since the former is a protracted struggle, in which neither is able to overwhelm the other, both sides have attached greater importance to the latter. Striving for military superiority is aimed at seeking world hegemony, and the gains and losses in regional contention will directly affect the growth and decline of the spheres of influence of both sides, which have a most important bearing on their efforts to seek hegemony. The unbalanced development of various regions in the contemporary world has made the two super powers attach greater importance to some regions, such as the Asia-Pacific region. At the same time, the decline of one of the two sides in some regions also provides the other side with an opportunity to advance. [paragraph continues]

This is an objective condition for the trend of aggravation in their regional contention. The Reagan government holds that since the new leaders of the Soviet Union are busy solving their domestic economic problems and have no time to take care of foreign affairs and since the United States has regained strength, it should seize this favorable opportunity to "push back" the progress the Soviet Union made in the 1970s. Moreover, by aggravating regional clashed in its contention with the Soviet Union, the United States is also trying to turn from the defensive to the offensive, so as to offset the powerful peace and nuclear disarmament offensive launched by the Soviet Union since this year and to add some bargaining counters to the second round of summit talks between the United States and the Soviet Union in the future. On the other hand, the new leaders of the Soviet Union are determined to implement their policy of accelerating economic development, while maintaining a balance of power with the United States in the contemporary stage, so as to carry out long-term contention with the United States. For this reason, the Soviet Union has to digest and consolidate what it has gained in the regional contention and wait for new opportunities. Although it does not appear as aggressive as before, it has not slackened its efforts to seize every possible opportunity to make further advances. Thus, a situation has appeared at present, which is characterized by an uninterrupted dialogue over arms control and the aggravation in regional contention.

II. At Present, the Bone of U.S.-Soviet Contention Is the Asia-Pacific Region
[subhead]

The strategic bone of U.S.-Soviet contention is still Europe. However, for the following two reasons, the Asia-Pacific region has already become a bone of their contention at present. 1) The spheres of influence of both sides in Europe have basically been determined, and cannot be easily changed by any of them, but the situation in the Asia-Pacific region is very complicated, and provides them with more opportunities to contend with each other and change the status quo. 2) The Asia-Pacific region has great economic potential and is in an important strategic position. The United States has gradually shifted its economic strength to the Pacific and made great efforts to establish a certain cooperative system there through economic cooperation so as to obtain greater economic benefits, but the Soviet Union has strenuously advocated the establishment of a security system in Asia so as to obstruct the United States in carrying out its plan. Under such circumstances, both sides wish to expand their influence in the Asia-Pacific region so that they can gain the upper hand there. In the early 1980s, the United States 'returned to Asia.' Since then, the situation has been quite favorable for it, but there are still many problems. The Soviet Union has continuously enhanced its military strength in the Asia-Pacific region but its situation is not favorable in the political and economic fields. Thus, its new leaders are trying to make use of the weak links of the United States and the contradictions between big powers to open up a new prospect and improve its position on the Eastern front. Over the past year, the contention and struggle between the United States and the Soviet Union in this region have markedly intensified.

In order to contain the Soviet Union and strengthen the control over the major sea routes from northeast Asia to the Indian Ocean, the United States has further strengthened military cooperation with Japan and continued to promote its "defense companion relations" with Japan and South Korea. It has also helped ASEAN countries, mainly Thailand, strengthen their defense forces. [paragraph continues]

However, it is still faced with a big problem: Its strategic arrangement is affected by the turbulent political situation and economic difficulties of some countries and the increasing instability in this region. In view of this, in his report on foreign policy delivered on 14 March, Reagan made an important readjustment of U.S. tactics and proposed "freedom," "democratization," and "opposing tyranny in any form, either left or right." In other words, in order to consolidate its position and ensure its strategic interests, the United States must discard its anti-communist and autocratic "old friends" step by step and in an ingenious way, so as to alleviate its contradictions with some relevant countries and stabilize the situation. This readjustment was reflected by the turn from supporting Marcos to supporting Mrs Aquino in the Philippine general election under the pretext of promoting "democratization." The United States is also showing great concern over the situation in South Korea. On the one hand, it has urged the South Korean authorities to practice "democracy," but on the other, it has continued to support South Korea and conducted large scale military exercises with it, disrupting the dialogue between the North and South of Korea. This shows that the United States is not willing to make substantial efforts to relax the situation on the Korean peninsula. In economic affairs, the United States has taken Thailand and the Philippines as the "frontline states" and the major recipient countries in Asia, so that they can be used to contain the Soviet expansion. However, although it wants them to solve economic difficulties and stabilize the situation, it is still reluctant to give up hegemony in economy and trade. In many fields such as quotas, tariff, and investment, it is still trying to strangle the latter. For example, as a victim of U.S. protectionism, Thailand will have to reduce its rice exports by 300,000 to 500,000 tons a year. On the question of fishing in the south Pacific Ocean, the United States also neglects the sovereignty and economic interests of some small island states there. This fatal weakness of the United States makes it unable to solve the above-mentioned difficult strategic problem. In addition, there are differences between the United States and New Zealand on anti-nuclear policy and some cracks in the ANZUS alliance and in the "chain of islands defense." Thus, the U.S. influence in the South Pacific region has declined. What the United States has done only makes itself suffer and helps the Soviet Union. In South Asia, while increasing aid to Pakistan, the United States has made India less dependent on the Soviet Union, through increasing military and technological aid, and helped improve the relationship between India and Pakistan. It has made limited achievements in this respect.

In Afghanistan and Cambodia, the United States has also put more pressure on the Soviet Union. This year, Congress has approved aid of \$15 million to Afghan guerrillas, in addition to secret military aid of nearly \$500 million. It also provides the guerrillas with Stinger missiles. The United States is attempting to strengthen its efforts to contain future political talks through this aid. It has also adopted a more positive attitude in providing aid to the anti-Vietnamese forces in Democratic Kampuchea led by Sihanouk and Son Sann, and is using dual tactics of pressure and incentive to force Vietnam to withdraw its troops from Cambodia and to break up Soviet-Vietnamese relations.

The United States hopes that the entire Asia-Pacific region can be gradually brought into the orbit of serving U.S. strategic interests by giving play to its superiority in the economic and technological fields and through the "Pacific community." However, this plan may be difficult to realize because it concerns the interests of many countries.

In strategy, the new Soviet leaders are attaching great importance to the Asia-Pacific region, ready to contend with the United States. A series of proposals and plans have been put forth by the Soviet Union through government statements and Gorbachev's speech in Vladivostok, such as the "plan for a comprehensive solution of problems," which concerns the collective security in Asia, the conference of Pacific countries, the nuclear-free zone in the Asia-Pacific region, and so forth. It tries to shift the people's attention from the Soviet deployment of SS-20 medium-range missiles in Asia and the Afghan and Cambodian questions, to contain the "Pacific community" and turn it into "Pacific economic cooperation" favorable for the Soviet Union, and finally to achieve its long-term goal of weakening and isolating the United States. In military affairs, it continues to strengthen its deterrent force and has never slackened its efforts to contend with the United States for control of main strategic sea routes. It has also vigorously enhanced its ability to quickly deploy military forces. In the political field, it has adopted the tactic of disintegration and has made use of the existence of various forces in this region and their contradictions with the United States to win over China, Japan, and the ASEAN countries. In the economic field, to meet the needs of opening up its far-eastern areas, the Soviet Union is trying to lure Japan, by means of absorbing investment and providing natural resources and markets, to compete with the United States. To the ASEAN countries, it has mainly made use of their contradictions with the United States and Japan in economy and trade and provided them with rice and textile markets. As to the South Pacific island countries, it has made use of their contradictions with the United States on the question of fishery and has signed a fishery agreement with Kiribati and established diplomatic relations with Vanuatu, trying to squeeze into the South Pacific region.

Since the Soviet Union regards Afghanistan as an important foothold in the contention for the western part of Asia and in the Middle East, it will not easily give up the occupation of this country. But to gradually reduce the burden of stationing troops there, it is now stepping up its efforts to suppress the guerrillas and to expand the "social basis" of the Najibullah regime, reducing its "leftist" color and improving its appearance, so as to strengthen its position. At the same time, it is making an exploratory compromise in order to seek a way for a "political solution," which will ensure the Soviet sphere of influence. On the Cambodian question, the Soviet Union needs to make certain compromises in order to improve its relations with the ASEAN countries. However, it is reluctant to take real actions and is playing the same trick, trying to help Vietnam and lure the ASEAN countries to swallow the bait.

III. The Contention in the Middle East Is the Focus [subhead]

Apart from the Asia-Pacific region, the contention between the United States and the Soviet Union is also carried out in other parts of the world, including the southern part of Africa and Central America, and the Middle East is the focus of their contention.

In southern Africa, the United States has tried to make the countries on the frontline cast off Soviet influence and weaken their struggle and the struggle of the Namibian people. It has strengthened its support for the National Union for the Total Independence of Angola [UNITA] and insisted on linking the independence of Namibia with the withdrawal of Cuban troops from Angola, with an aim of squeezing out the military forces of the Soviet Union and Cuba and creating conditions for talks between UNITA and the Angolan Government. [paragraph continues]

Disregarding both internal and external pressures, the United States is not willing to apply real sanctions against the South African racist regime, which suppresses the struggle of black people and attacks the frontline countries. Thus, it has been put in a passive position. The Soviet Union has greatly improved its relations with Zimbabwe and is in a favorable political position on the question of southern Africa. However, restricted by its economic strength and affected by the geopolitical factors, it finds it difficult to accomplish anything.

In Central America, the United States has continued to threaten Nicaragua by military means. Since the Latin American countries are unanimously demanding a political settlement of the central American question and opposing foreign interference and infiltration, the United States cannot but pretend to support the peaceful mediation of the Contadora Group. But in reality, it has placed many obstacles in the way of political settlement. The purpose of the United States is to overthrow the Sandinista government or to force it to change its policy. If the current methods of pressure and force are proved ineffective, the United States will probably send troops directly to Nicaragua under the pretext of supporting the "freedom fighters" there, which it has fostered. The main reason why it has not yet done so are: First, Nicaragua is not a small country like Grenada, which has a weak national defense, but a country that cannot be easily defeated, and second, within the United States, there is strong opposition to direct military interference. Therefore, the Reagan administration is still studying concrete tactics for carrying out "low-intensity warfare" against Nicaragua and is waiting for a suitable opportunity. The Soviet Union is making use of this situation to contain the United States, but is rather careful. It does not wish to have its action overdone and fall into direct confrontation with the United States in the latter's "backyard."

In the Middle East and northern Africa, which are the focus of U.S.-Soviet contention at present, there is uninterrupted political turbulence and military clashes. The United States wants to weaken the Soviet influence in this region, and the Soviet Union wants to weaken the U.S. influence. This contention and the struggle between various factions of political forces make the situation between various factions of political forces make the situation especially turbulent. Around April this year, the Reagan government, which firmly believed that the new Soviet leaders would not take excessive risks in those regions that do not seriously affect its fundamental interests, launched an attack against Libya under the pretext of opposing terrorism, and destroyed some Soviet missile bases, thus making a good score in the contention for the Mediterranean and north African region, offsetting the Soviet influence, and warning the radical Arabian nations. But judging from the overall situation, the United States still has not found a perfect policy. The United States wants to obstruct the development of Soviet influence in the Middle East and the Gulf area through pushing forward the peaceful negotiations on the Middle East question, but since it has not changed its stand of being partial to Israel to the neglect of the fundamental interest of the Arabian countries and the Palestinian people and refused to take into consideration the stand of the moderate Arabian countries, which urge that the United States maintain greater distance from Israel and recognize the PLO's position in the negotiations, the peaceful negotiations have reached an impasse. However, the United States is making continuous efforts, trying to break the impasse by holding a tripartite summit conference for Egypt, Jordan, and Israel. This was a proposal made by Bush during his Middle East trip, but the result is not as satisfactory as expected. In an attempt to resume the negotiations, the United States has also made Morocco and Egypt respectively hold direct talks with Israel.

The Soviet Union has made a full use of this basic weakness of the United States, which is partial to Israel and neglects the Arabian countries, and the differences among the Arabian countries, and has made important readjustments in its tactics. It has not only maintained its influence on some radical countries, but has also made marked achievements in drawing over some moderate countries, which have had traditional relations with the United States. It established diplomatic relations with Oman and the United Arab Emirates, agreed to provide Saudi Arabia with SA-7 guided missiles immediately after the United States refused to provide it with anti-aircraft missiles, and signed an agreement with Jordan on providing weapons. In this way, it has greatly disturbed U.S. arrangements. Moreover, it has also made great efforts to maintain relations with various conflicting parties, to mediate among various factions of the PLO, to contact various factions in Lebanon, and to improve relations with Israel. Its proposal on holding a preparatory meeting on the Middle East question, to be attended by the permanent members of the Security Council, has received a response from Jordan, Egypt, and Syria. The Soviet Union has made some proper arrangements in the Middle East. Once the conditions are ripe, it may be able to change the current situation in which the negotiations are controlled by the United States. All the tit-for-tat measures adopted by the Soviet Union and the United States are concrete efforts to step up their contention in the Middle East.

IV. Look Into the Future [subhead]

1) Both the United States and the Soviet Union want to expand their spheres of influence through regional contention, but it is difficult for them to attain their goals. This is because both of them are restricted by many factors and cannot do whatever they wish to do. Although the United States has a great goal and is comparatively superior in the economic, scientific, and technological fields, it has overestimated its strength and does not have sufficient and feasible measures to attain its goal. It is generally estimated that the economic growth rate of the United States will be about 3 percent this year, but problems such as high deficits, the unfavorable balance in foreign trade, and more than \$2,000 billion of national debts are difficult to solve, and the outlook is not optimistic in ensuring a steady economic growth. The congressional move on balancing the budget has greatly restricted the Reagan Administration's efforts to increase military expenses and foreign aid. The military expenses for the financial year of 1986 were reduced from \$322 billion to \$297.4 billion, the greatest reduction since 1981. It is expected that the expenses will be further reduced in the next 2 years. In addition, the conflicts between various political parties and groups and the apprehensions of various circles on direct involvement in the regional clashes have also obstructed the implementation of "Reaganism." The new Soviet leaders are determined to carry out economic reforms, but due to all kinds of obstruction, they cannot easily achieve their goal. In regional contention, the Soviet Union is trying to maintain its previous spheres of influence while seeking opportunities to grab more. Thus, its burdens will certainly become heavier. Both the United States and the Soviet Union dare not act rashly and carelessly in their contention for fear that they may directly conflict with each other. Their powers to control their allies are both declining. Proceeding in their own interests, the allies need to promote their relations with the Third World countries. Therefore, they have differences in principle with the United States and the Soviet Union on the regional question and are unable to act entirely as these two countries would wish. The Third World countries and people, which are direct victims of the U.S.-Soviet contention, will certainly not allow others to manipulate their destinies. [paragraph continues]

All this shows that both the United States and the Soviet Union will not be sufficiently capable of carrying out their ambitions and they will have to maintain dialogues in their struggle. They will continue the confrontation, but will not let it go out of control, and they will continue their dialogues, but will not slacken their efforts in the contention. This will be the law and pattern of U.S.-Soviet relations in a rather long period to come, which will not be changed by the aggravation of their regional contention.

2) There is generally a balance between the United States and the Soviet Union in their relative strength at present. None of them has the strength to break the strategic impasse. Therefore, the phenomena such as one side launching successive attacks against the other and quickly occupying some of its positions are unlikely to appear. The basic situation will still be characterized by alternate offensive and defensive moves by both sides, each having its gains and losses. As a result of their long-term contention and expansion over the past decades, both sides are actually in an overloaded economic situation at present and need to carry out readjustment and accumulate strength. Reagan is expecting that the Strategic Defense Initiative will be passed and carried out, so as to stimulate and develop the new concept, gigantic, and comprehensive force of science, economy, and national defense and so as to lay a material basis for gradually seizing over the strategic superiority against the Soviet Union. However, this gigantic plan will cost thousands of billions of U.S. dollars and will take up to a generation to effect. Moreover, there are still endless debates within the United States over the feasibility of this plan in strategy and technology. The Soviet Union is determined to readjust both its internal and external policies so as to enhance its national strength and to effectively contend with the United States for hegemony. However, it needs long-term efforts to implement this policy. Under this situation, the United States has to try to weaken the strength of the Soviet Union and raise obstacles to its economic progress. At the same time, it is trying to make strategic arrangements in all points while stepping up the regional contention so as to gradually complete the strategic encirclement against the Soviet Union. On the other hand, the Soviet Union is trying to make use of various contradictions to destroy the relationships between the United States and various allied countries and moderate developing countries so that a united front can be formed to isolate the United States. Its resolution and internal potentials in this respect must not be neglected. From this we can foresee that the U.S.-Soviet regional contention will be very complicated and will be a protracted seesaw battle.

3) What merits our attention is that at present, both sides are trying to seek limited compromises while stepping up their contention. Gorbachev needs to relax Soviet-U.S. relations so as to create favorable conditions and have more time to promote the economy. Taking both internal and external political interests into consideration, Reagan needs to make certain achievements in foreign affairs before he leaves office. Similarly, he needs to make certain compromises with the Soviet Union. He has repeatedly emphasized the question of hot spots and related it to the negotiations on arms control. Gorbachev, on the other hand, has launched a "proposal warfare" and delivered a speech in Vladivostok. The U.S. and Soviet officials have held consultations on some regional questions. All this shows that after having a trial of strength and finding out the real strength of the other side, and through one or more rounds of summit talks, the possibility cannot be ruled out that both sides may finally reach an agreement on limited arms control or even reach a temporary compromise on the Afghan question.

4) The struggle of the Third World countries and the people in various regions to maintain independence, oppose hegemonism, and to seek peace and development will certainly have bright prospects, and the influence and control of the United States and the Soviet Union will be further weakened. This trend of development in history can be proved by the following facts: 1) Since what the U.S. and Soviet hegemonists have done in the political and economic fields has seriously harmed the sovereignty and fundamental interests of the Third World countries, they will encounter greater and greater resistance in the future. The history of the past 40 years since World War II is also a history of the struggle between the United States and the Soviet Union on the one side and the Third World countries and people on the other for control and anti-control. In political affairs, not entering into alliance with the two hegemonists has become the main trend in the Third World countries. In the United Nations and other international arenas, the developing countries are achieving greater successes in their mutual consultation and cooperation to safeguard their rights and interests and to support just causes. 2) The development of the political trend of dissenting from the United States and the Soviet Union reflects the further development of the nationalist forces. At present, all the Third World countries have more or less kept themselves at a distance from the two hegemonists, and the centrifugal trend among some Third World allies and close friends has been developing. Some countries, which have maintained relatively closer relations with the United States, are also developing relations with the Soviet Union, and those which have been partial to and side with the Soviet Union have begun to improve their U.S. relations. Their contradictions with the United States and the Soviet Union are gradually developing. At the same time, they are using the contradictions between the United States and the Soviet Union to develop their own countries. This is becoming a law in the current situation. 3) Regional cooperation has been gradually promoted. In various fields, such as in eliminating differences, strengthening unity, exploring ways for South-South cooperation, promoting South-North dialogues, and demanding the establishment of a new international economic order, the ASEAN, the South-Asian Regional Cooperation, and other multilateral organizations are working hard to overcome difficulties and make contributions. The cooperation between the ASEAN countries and the Gulf countries in defense affairs and the efforts made by some South Pacific nations for establishing a nuclear-free zone are obvious to all. 4) Many developing countries have made use of Western Europe's contradictions with the United States and the Soviet Union to promote economic cooperation, trade, and political consultations with it. Their relations are becoming closer and closer with each passing day. Their contacts, which are based on equality and mutual benefit, are good for both sides. At present, the mass movements in various countries and regions including the United States and the Soviet Union to oppose war and nuclear weapons and to safeguard peace are just in the ascendant. This shows that the people throughout the world are thirsting for peace and stability.

The time that the United States and the Soviet Union could dominate and monopolize world affairs is over. The affairs of various regions and nations can only be decided by the nations and people concerned. A multipolar world is arising.

The old-line colonialist system has collapsed, and the United States and the Soviet Union, which advocate hegemonism, are doomed to failure. The people of the Third World countries, who are fighting for peace and development together with the people of all other countries, will certainly achieve more brilliant successes!

PRC URGES TIMETABLE FOR USSR AFGHAN WITHDRAWAL

OW050228 Beijing XINHUA in English 0214 GMT 5 Nov 86

[Text] United Nations, November 4 (XINHUA) -- China urges the Soviet Union to withdraw all its troops from Afghanistan, Chinese permanent representative to the United Nations, Li Luye said today.

Addressing a plenary session of the U.N. General Assembly on "the situation in Afghanistan and its implications for international peace and security," Li said if the Soviet Union is really sincere about political settlement, it should work out a reasonable timetable as soon as possible to withdraw its troops, consulting the other parties concerned.

While procrastinating on troop withdrawal, the Soviets have intensified their suppression against the Afghans fighting the aggression, Li noted.

At the same time, he said, the Kabul regime backed by the Soviet Union has increased its intrusion into Pakistan's territory and air space, thus posing a serious threat to peace and stability in the region.

Mentioning the recent Soviet withdrawal of six regiments from Afghanistan, the Chinese representative said: "Should the troop withdrawal be carried out at such a pace, no one knows how many years it would take to complete the total withdrawal."

The Soviets say as long as they see so-called "foreign interference" in Afghanistan, they will never abandon their neighbor "in its hour of trial." The Chinese ambassador said this means the troops already withdrawn may return at any time.

Li said one must not accept the military occupation of one country by another as "legitimate" and even describe it as a "good deed" if one is not to allow total chaos in the world.

He expressed support and appreciation to the Pakistan Government for upholding the fundamental principles of the relevant resolutions of the U.N., calling for the withdrawal of Soviet troops from Afghanistan and persisting in its efforts to seek a political solution to the Afghan issue.

WAN LI MEETS ASIAN SCIENCE FEDERATION OFFICIAL

OW031324 Beijing XINHUA in English 1306 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Vice-Premier Wan Li met A.K. Sharma, chairman of the Federation of Asian Scientific Academies and Societies, and his party here today.

The guests are here for the 2-day Third Council meeting of the federation which began yesterday. The participants are from eight countries including China, India, Malaysia and Singapore.

U.S. WARSHIPS ARRIVE, WELCOMED IN QINGDAO

OW050834 Beijing XINHUA in English 0812 GMT 5 Nov 86

[Text] Qingdao, November 5 (XINHUA) -- Three warships of the United States Pacific Fleet arrived here today for a friendly, courtesy call to this east China port.

This is the first time for U.S. warships to visit China after its liberation in 1949.

The three warships, with some 900 officers and men on board, are under Admiral J.A. Lyons, commander-in-chief of the U.S. Pacific Fleet.

The three vessels, the 161-meter guided missile cruiser "Reeves", the 170-meter destroyer "Oldendorf", and the 137-meter guided missile frigate "Rentz", will stay here until November 11.

A welcoming ceremony was held at the port by the North China Sea Fleet of the Chinese Navy. Commander of the fleet Ma Xinchun and leading officials of the Shandong Province and Qingdao City attended the ceremony.

The coming of the U.S. warships was officially announced by China and the United States early last month during U.S. defense Secretary Caspar Weinberger's visit to China.

During the U.S. warships' presence at the Qingdao Port, three Chinese Naval vessels will moor nearby to play host to the American warships. Sailors of the two navies will visit each other on their ships in the next few days.

Crews of the U.S. ships will visit Qingdao's famous beer brewery and Laoshan, a nearby mountain famous for its Taoist temples and mineral water. Some of the crews will go to Confucius' birthplace, Qufu, southwest of Qingdao, and the famous Taishan Mountain, west of Qingdao.

BEIJING TO HOST FINANCIAL SYMPOSIUM ON U.S.

HK040901 "Beijing CHINA DAILY in English 4 Nov 86 p 2

[By staff reporter]

[Text] The People's Bank of China and the New York Stock Exchange will jointly open a symposium on Chinese and American financial markets on November 10 in Beijing.

About 35 representatives from financial circles of the United States and 200 from China's banks, the State Insurance Company and the China International Trust and Investment Corporation are expected to attend the four-day symposium.

Representatives will give lectures on and discuss topics including the history and management of the New York Stock Exchange, governments' role in financial markets, stock markets' effects on the American economy and society, analysis and forecasts of American economy.

OW040933 Beijing in Japanese to Japan 0930 GMT 3 Nov 86

[Excerpts] Since the beginning of the 1980's trade, economic, and technological cooperation between China and the USSR has developed vigorously. Let us talk today about recent developments in the trade between China and the USSR.

The volume of China-USSR trade from 1981 to 1985, including both exports and imports, amounts to 10 billion Swiss francs, exceeding the total amount for the 10 years since 1970. The volume of trade in 1985, including both exports and imports, reached 4.6 billion Swiss francs, setting a record in annual trade for the past 25 years. According to statistics of China's foreign trade in 1985, China's trade with the USSR that year ranked sixth, following its trade with Japan, Hong Kong and Macao, the United States, West Germany, and Singapore. [passage omitted]

During Vice Premier Yao Yilin's visit to the USSR in 1985, the two sides signed a government agreement on long-term trade from 1986 to 1990 and an agreement on economic and technological cooperation in construction and renovation of industrial projects in China. On the basis of these agreements, trade and economic cooperation between China and the USSR would be promoted steadily in various forms and in expanded fields for the next 5 years.

This is the first year for the promotion of trade and economic cooperation, and through mutual efforts a good start has been made with studies for 24 new and renovation projects already started. [passage omitted] Generally speaking, conditions and foundations for promoting trade between China and the USSR have been further strengthened.

In particular, it should be pointed out that border trade with the USSR has rapidly developed in China's Heilongjiang Province and Nei Monggol Autonomous Region since 1983. The total volume of border trade between Heilongjiang and Nei Monggol on the one hand and the USSR on the other from 1983 to 1985 amounts to 140 million Swiss francs. Border trade is not confined to Khabarovsk and the coastal regions but has been expanded to Buryat ASSR, Sakhalin, and Irkutsk. In addition, on the basis of a document exchanged between China and the USSR on 23 January 1986, China's Xinjiang Uygur Autonomous Region has started border trade with the USSR's Kazakh, Kirgiz, Tadzhik, Turkmen, and Uzbek SSRs. A Xinjiang trade delegation visited Alma Ata in the USSR last August and staged a trade fair for the first time. The fair was warmly welcomed and highly appraised by the Soviet people concerned. Through friendly talks, the two sides signed an agreement on the export and import of commodities.

The smooth development of border trade between the two countries significantly supplements the government trade. It not only helps activate the economy in the border areas of the two countries but also promotes friendship between the peoples of the two countries in the border areas.

In reviewing the past 5 years, trade and economic relations between China and the USSR have developed in a satisfactory way. Looking into the future, China and the USSR have considerable potential for promoting trade and developing economy. This potential can be brought into full play through mutual efforts.

At present, trade and economic cooperation between the two countries is not being promoted on a large scale or in many forms. For example, such forms of cooperation as cooperative production, joint ventures, compensatory trade, processing trade, sample processing trade, construction work and labor supply contracts, have not been utilized. These are forms that still must be studied and examined by both sides.

LI XIANNIAN MEETS JAPANESE FRIENDSHIP OFFICIAL

OW041401 Beijing XINUUA in English 1323 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chinese President Li Xiannian and Yoshimi Furui, head of the Japan-China Friendship Guild, discussed the development of Sino-Japanese friendship and cooperation here today.

The 83-year-old Yoshimi Furui was former chairman of Japan's Dietmen's League for Japan-China Friendship.

During the meeting, Li spoke highly of Yoshimi Furui's contribution to the promotion of Sino-Japanese friendship, adding that the Chinese and Japanese people would never forget those who have worked for the cause.

China and Japan are close neighbors separated only by a strip of water, Li said. Politicians, economists, artists and people of every sector of the two countries should treasure such relations, refrain from saying or doing anything to damage those relations and help the existing friendship last from generation to generation.

Yoshimi Furui held that once the two countries, which have their own strong points, join hands, it will benefit both the people of the two countries and world peace.

Sun Pinghua, president of the China-Japan Friendship Association, attended the meeting.

Yoshimi Furui and his party arrived here earlier this week as guests of Sun's association. Sun held a banquet for them here tonight.

DPRK VICE PRESIDENT MEETS HEILONGJIANG GROUP

OW010203 Beijing XINHUA Domestic Service in Chinese 1511 GMT 29 Oct 86

[Text] Pyongyang, 29 Oct (XINHUA) -- DPRK Vice President Yim Chun-chu received a Chinese goodwill delegation from Heilongjiang Province at the Mansudae Assembly Hall in Pyongyang today.

Yim Chun-chu had a friendly conversation with the Heilongjiang delegation, led by Governor Hou Jie. Yim Chun-chu said: In recent years relations of friendship and cooperation between Korea and China have been developing favorably in the interests of the people of the two countries. Contacts between, and exchanges of delegations of the two countries have been increasing, and the ties between the border provinces of the two countries have been growing. This is a very good thing.

The Chinese goodwill delegation from Heilongjiang arrived in Korea for a visit on 20 October at the invitation of the Administrative and Economic Guidance Committee of North Hamgyong Province, Korea. (Cho Su-sung), chairman of the Administrative and Economic Guidance Committee, paid a visit to Heilongjiang Province not long ago, during which leaders of the Chinese and Korean provinces discussed in depth the questions of strengthening political unity and friendship, expanding economic cooperation, and increasing scientific, technological and cultural exchanges.

BURMESE DEPUTY FOREIGN MINISTER LEAVES FOR PRC

OWO51140 Beijing XINHUA in English 1135 GMT 5 Nov 86

[Text] Rangoon, November 5 (XINHUA) -- Burmese Deputy Foreign Minister U Saw Hlang left here for Beijing this afternoon for signing the protocol on China-Burma boundary inspection.

The draft protocol on the first joint inspection of the China-Burma boundary and the maps attached to it were signed in Rangoon last June. The first joint inspection of the boundary, which began in December 1984, had ended successfully.

It is learned that during their one-week tour of China, U Saw Hlang and his party will also visit Guangzhou, capital of Guangdong Province, and the Shenzhen Special Economic Zone in south China.

PRC DELEGATE ADDRESSES BANGKOK ESCAP SESSION

OWO41721 Beijing XINHUA in English 1535 GMT 4 Nov 86

[Excerpt] Bangkok, November 4 (XINHUA) -- Representatives of some 20 countries in the Asian and Pacific region gathered here today to deliberate on policy issues related to the economic development of the region. The meeting, the sixth session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) on Development Planning, will go through November 10.

Inaugurating the session, ESCAP Deputy Executive Secretary Koji Nakagawa stressed that a deteriorating and uncertain external economic environment is still one of the main difficulties facing the region's economy.

The hopes raised by the strong recovery in the United States two years ago have steadily diminished and have been clouded by increasing uncertainties about the prospects of growth in the world economy, he said.

He maintained that the external economic environment influences the pace and pattern of economic development in the ESCAP region, for most of the smaller economies here are crucially dependent on the external economic environment.

He explained the fact that the ESCAP member countries have performed better than those in other regions should not be construed as evidence of their insulation from the international economic environment, but "interpreted as resilience achieved at considerable cost and sacrifice."

He called upon ESCAP member countries to increase cooperation, diversify and restructure their economies so as to mitigate the effects of external economic environment. He also praised China and India for having achieved "good record of growth" in this decade.

Chinese representative Zhong Shukong, while giving a brief account of China's 7th Five-Year Plan (1986-1990), said that the plan can be regarded as a plan for opening to the outside world.

He told the audience that China is ready to expand economic and trade relations with other countries and areas in the ESCAP region, to actively import advanced technologies and to utilize foreign capital. [passage omitted]

NETHERLANDS PRIME MINISTER MEETS NPC DELEGATION

OW041729 Beijing XINHUA in English 1558 GMT 4 Nov 86

[Text] The Hague, November 4 (XINHUA) -- Dutch Prime Minister Ruud Lubbers said today that he hopes the Netherlands and China will intensify cooperation in economic and technical fields and in the trade and service sectors.

Lubbers made these remarks when receiving the visiting Chinese delegation, led by Fu Hao, member of the Chinese National People's Congress (NPC) Standing Committee and vice chairman of its Foreign Affairs Committee.

The delegation arrived here yesterday for a one-week friendly visit at the invitation of the Foreign Affairs Committee of the Second Chamber of the Dutch Parliament.

Lubbers told the Chinese that Sino-Dutch relations have developed and gained momentum in the past few years. He added that there are still broad prospects for the development of friendly relations and cooperation.

Lubbers recalled that the visit of Chinese Premier Zhao Ziyang to the Netherlands last year left him with a profound impression. He said he too wishes to visit China again, at an opportune time.

The Dutch prime minister also exchanged views with the Chinese visitors on international issues of interest to both sides.

WU XUEQIAN ATTENDS BELGIAN MINISTER'S RECEPTION

OW041717 Beijing XINHUA in English 1511 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Visiting Belgian Minister of Communications and Foreign Trade Herman de Croo, on behalf of King Baudouin, conferred medals here today at Belgian Embassy on three Chinese scholars, in recognition of their efforts in promoting Sino-Belgian scientific and economic ties.

The minister gave the medals at the reception given by Belgian Ambassador to China Jan Hollants van Looke in celebration of the 15th anniversary of the establishment of diplomatic relations between China and Belgium.

Wu Huanxing, late Chinese tumour expert, was awarded "Officer of the Crown", who was represented by his wife Mao Zhiying. World-famed geophysicist Chen Zong-ji received "Officer in the Order of Leopold II" while economist Chang Chongyang, who is abroad, was given "Knight in the Order of Leopold II". He was represented by Shi Weisan, vice president of University of International Business and Economics.

Among those attending the reception were Wu Xueqian, state councillor and minister of foreign affairs, and Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. Diplomatic envoys of various countries to China were also present.

REACTION OF WEST EUROPE TO ICELAND MEETING

HK020100 Beijing RENMIN RIBAO in Chinese 31 Oct 86 p 6

["Commentary" by reporter Jiang Jianguo (3068 1696 0948): "A Comment on Kohl's Visit to the United States -- Reaction of West Europe to the Iceland Meeting"]

[Text] Federal German Chancellor Kohl's recent visit to the United States caused great attention in West Europe, because it was the first meeting between a head of state of a West European country and U.S. President Reagan after the Iceland meeting. During the last day of his visit, Kohl conveyed an important message to the United States at a gathering held by the Foreign Relations Association in Chicago: "The pace of disarmament should not lead to the weakening of security in West Europe. Instead, it should strengthen security in the region." These remarks reflected the desires of West Europe and West Germany for disarmament talks covering a certain period of time in the future.

After the U.S.-Soviet summit meeting in Iceland, people in the West German capital Bonn observed an interesting change: right from the very beginning, politicians thought that Reagan had not fully taken into account the security and interests of West Europe. Instead of feeling sorry, uneasy, worried and disappointed at the failure of the meeting, they were worried about an agreement reached at the meeting, which would hamper the interests of West Europe. As revealed by SUDDEUTSCHE ZEITUNG, Chancellor Kohl even believed that the meeting broke off at the right time, and that such summit meetings, which fail to consider all the details and all the consequences are "dangerous."

The West German Government was worried about the meeting mainly because of the following factors:

1) The problem of the "zero point settlement" of the medium-range missiles. Reagan and Gorbachev made an initial decision through discussions on completely demolishing medium-range missiles deployed by both sides in Europe. They also decided that both sides would only retain 100 nuclear warheads each deployed in U.S. territory and the Asian part of the Soviet Union. West Germany maintained that this method was not in accord with the principle of "transitional settlement" devised by the NATO, and that Reagan had yielded to the Soviet's "zero point settlement" plan. Under circumstances in which the Soviet Union possesses a large quantity of medium-range missiles and the number of its conventional weapons exceeds that of the West, adopting the "zero point settlement" plan would undermine the balance between the East and the West. West Europe will inevitably be placed under the military and political pressure of the Soviet Union. Therefore, West Germany is most worried about the consequences resulting from the implementation of the plan. It believes that the lopsided "zero point settlement" will deprive the West of a sufficient means to deter the Soviet Union, and will separate nuclear defense of the United States from that of West Europe. FRANKFURTER ALLGEMEINE said in an editorial: "Without the nuclear arsenal of the United States, NATO would have no effective strategy, deterrent strategy, or sufficient defense power." Chancellor Kohl also held that the conditions for creating a nonnuclear Europe does not yet exist.

2) West Germany is also worried about the superiority of the Soviet short-range missiles. Reagan and Gorbachev decided through discussions to freeze medium-range missiles with range of less than 1,000 km, and short-range missiles with a range of between 150 to 500 km. They also began discussing the problem of the complete destruction of nuclear weapons. [paragraph continues]

Because all these Soviet missiles are mainly aimed at West Germany, and that the proportion of such missiles between the West and the Soviet Union was 1 to 10, such a decision was in the interests of West Germany. It was gratified by that. In the meantime, West Germany feels obviously worried about the possibility that if no agreement is reached by both sides abt the longdrawn-out negotiations, the Soviet Union would actually maintain its military means of placing West Germany under pressure. Therefore, West Germany cannot fold its hands and await the results of the talks. It has maintained that reaching an agreement on freezing nuclear weapons and the continuation of talks alone is insufficient. The Western alliance should stress its right of possessing qualitative equality of similar kinds of missiles. If the aim of the talks, of completely destroying nuclear weapons, cannot be attained, NATO should consider the deployment of short-range missiles to counter the Soviet Union.

3) What West Europe and West Germany worry about most is that the extensive disarmament proposals discussed by the United States and Soviet Union might bring some fundamental strategic changes to NATO. During the Iceland meeting, Reagan persisted in the attitude that SDI [Strategic Defense Initiative] is not negotiable, showing that the United States put SDI above everything else. At a NATO nuclear planning group conference held a few days ago, U.S. Defense Secretary Weinberger explicitly said that SDI is the basis for "the new structure of U.S.-Soviet strategic relations." Nevertheless, West Europe knows very well that SDI is mainly for the protection of U.S. territories and that it is difficult to predict whether it would benefit West Europe. Therefore, West Germany feels very concerned about how the United States treats "the strategy of nuclear deterrent" always employed by NATO as well as NATO itself.

During his visit to the United States, Chancellor Kohl held several conferences with Reagan in succession and Reagan informed Kohl of his meeting with Gorbachev. Kohl expressed his support for the U.S. stand in the arms control talks and agreed to regard the conditions discussed by the two parties of the Iceland meeting as a basis for future talks while stressing that the arms control talks should not harm the safety and interests of West Europe. It is reported that Reagan conscientiously listened to Kohl's opinions and said he would seek "an appropriate forum" for the reduction of conventional arms. Nevertheless, the news from the other side of the ocean have not yet confirmed how the United States would embody the interests of West Europe in its future talks with the Soviet Union.

Following the Iceland meeting, the opinions aired by West Europe are noteworthy. West Germany has already noted that West Europe would have no diplomatic interests in the absence of security interests. Personages of the political circles in Britain and France have also expressed similar worries in many ways. Some NATO countries are also examining the status and role of the NATO nuclear weapons following the Iceland meeting. A certain change has already taken place in the relationship between Europe and the United States. During his visit to the United States, Kohl said that the medium and small countries in West Europe should actively participate in the East-West dialogue. This remark is intended for both Washington and Moscow. As for how would they understand it, it is quite a different thing.

XU XIN AT ITALIAN ARMED FORCES DAY RECEPTION

OWO40906 Beijing XINHUA in English 0854 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- The Italian Armed Forces day was marked at a reception given here today by Colonel Luciano Forlani, military, naval and air attache to the Italian Embassy in China. Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, attended.

POLISH STATE COUNCIL OFFICIAL FETED IN BEIJING

OW041405 Beijing XINHUA in English 1328 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Chu Tunan, vice-chairman of the National People's Congress Standing Committee, met and feted Mlynczak, chairman of Democratic Party and vice-president of the State Council of Poland, and his party here tonight.

The Polish guests, who arrived here from Korea earlier today, were also honored at a luncheon given by Fei Xiaotong, vice-chairman of the Chinese People's Political Consultative Conference National Committee.

PRC ENVOY GIVEN ORDER OF YUGOSLAV FLAG BY HASANI

OW031643 Beijing XINHUA in English 1634 GMT 3 Nov 86

[Text] Belgrade, November 3 (XINHUA) -- Yugoslav President Sinan Hasani today conferred an Order of the Yugoslav Flag With Ribbon to Chinese Ambassador Xie Li for his contributions to the development of cooperative ties between Yugoslavia and China.

At the ceremony, Hasani highly praised the improvement of such relations.

Xie expressed his thanks for the medal and said the honor is a symbol of friendship between the two nations.

Xie Li is to leave at the expiration of his three-year term as the ambassador to Yugoslavia.

GUIZHOU DELEGATION WINDS UP YUGOSLAVIA VISIT

OW021345 Beijing XINHUA Domestic Service in Chinese 1317 GMT 30 Oct 86

[Text] Belgrade, 30 Oct (XINHUA) -- Milos Milosavljevic, vice president of the Yugoslav Federal Executive Council and chairman of the Yugoslav side of the Yugoslav-Chinese Mixed Committee for Economic, Scientific, and Technological Cooperation, met with Guizhou Provincial Governor Wang Chaowen and had a cordial conversation with him in Belgrade this morning.

The Guizhou provincial delegation led by provincial Governor Wang Chaowen arrived here on 23 October on a friendly visit to Yugoslavia.

During the week-long visit the Guizhou provincial delegation mainly visited the Republic of Montenegro. The delegation members visited some industrial and agricultural labor organizations and tourist facilities and attended talks with principal party and government leaders of the Republic of Montenegro on the question of developing bilateral cooperation. On 29 October the two sides signed a protocol on establishing relations of friendship and cooperation between Guizhou Province and the Republic of Montenegro in Titograd, capital of the Republic of Montenegro.

The Guizhou provincial delegation wound up its friendly visit to Yugoslavia and left for home by plane this afternoon.

XINHUA ANALYZES U.S. HOSTAGE'S RELEASE IN LEBANON

OW041151 Beijing XINHUA in English 0756 GMT 4 Nov 86

["News analysis: Behind American Hostage's Freedom in Lebanon" -- XINHUA headline]

[Text] Beirut, November 3 (XINHUA) -- The release of a long-time American hostage yesterday, and any future releases of Western hostages, indicates that Syria and Iran may be undertaking a diplomatic public relations campaign.

Last Friday, Iranian Foreign Minister Akbar Velayati flew to Damascus as rumours swirled of the release of American hostages in Lebanon, where Syria is the main power broker. Two days later, 55-year-old David Jacobsen, director of American University Hospital in Beirut was freed after 17 months in the captivity of the pro-Iranian fundamentalist group, Islamic Jihad (holy war).

U.S. White House Chief of Staff Donald Regan, appearing on the ABC television last night, declined to identify the mediators, but he did say Syria has played a minimal role.

Unconfirmed reports had Washington giving Syria an ultimatum on October 10 to prove it could take action against terrorism. On the same day European Economic Community (EEC) members discussed sanctions against Syria, prompted by Britain's reports of Syrian support for terrorist acts there.

On October 24, the British Government severed diplomatic relations with Syria for its support role in a foiled attempt to plant a bomb aboard an Israeli airliner in London last April. Syria has denied any involvement in terrorist acts.

Following Britain's sanctions call, Federal Germany has suspended the appointment of a new ambassador to Damascus while France stopped arms sale to Syria. However, most EEC governments have refused to take action against Syria.

Syria may be trying to relieve some of this international pressure by restraining its allies in the Middle East, and this includes efforts to free Western hostages in Lebanon, diplomatic sources said here. In July, Syria aided in the release of two French hostages, and deflected international pressure on itself to some extent.

Meanwhile, Iran, which has been warring with neighboring Iraq for more than six years, has started to work for the freedom of these hostages. It is apparently a friendly gesture to Western countries.

As the long war appears to the going Iran's say, well-informed sources disclosed that Iran is designing a comprehensive diplomatic strategy to follow its victory. This strategic attempt to gain influence in Lebanon and in the Middle East as a whole required Iran to lessen the tensions which have been hurting the Teheran government. If Iran can be effective in its attempts to free the foreigners, it seems likely to realize substantial diplomatic gains, the source added.

Now there are 20 foreigners held by fundamentalist groups in Lebanon. Most of them were kidnapped by the pro-Iranian Hezbollah (party of god) and Islamic Jihad, but are imprisoned in the Syrian-controlled Al-Biqa' Valley in eastern Lebanon. There are six Americans, one Frenchman and two Britons in the hands of the fundamentalists.

HU QILI MEETS BOLIVIAN REVOLUTIONARY GROUP

OW011719 Beijing XINHUA in English 1548 GMT 1 Nov 86

[Text] Beijing, November 1 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of China, met here today a delegation from the Bolivian Nationalist Revolutionary Movement led by Jose Luis Harb Alvarez, executive chairman of the movement.

Hu spoke highly of the 1952 revolution led by the movement, saying that the revolution shook the whole of Latin America. He also expressed gratitude for the efforts made by the movement in the Bolivian Congress to promote the establishment of diplomatic ties between the two countries and improve their relations.

Hu expressed his pleasure that the Bolivian Nationalist Revolutionary Movement had become the ruling party again after the general election and had begun to overcome difficulties to revitalize the economy.

He said both China and Bolivia are now confronted with the task of developing their countries' economies and maintaining world peace. He said China attaches great importance to its contacts and sharing of experiences with other Third World countries, including Bolivia.

Hu hosted a dinner for the Bolivian visitors after the meeting.

PENG ZHEN AT NPC PERUVIAN RELATIONS RECEPTION

OW311658 Beijing XINHUA in English 1627 GMT 31 Oct 86

[Text] Beijing, October 31 (XINHUA) -- A reception to mark the 15th anniversary of the establishment of diplomatic ties between China and Peru was held here today by the Chinese People's Association for Friendship With Foreign Countries and the China-Latin America Friendship Association.

At the reception, Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress (NPC), expressed gratitude on behalf of the Standing Committee of the NPC for the bill passed by the Peruvian Congress congratulating China on its national day every year. He also congratulated Fernando Leon de Vivero and Armando Villanueva on their reelection as president of Peru's Senate and president of the Chamber of Deputies, respectively.

Among the guests were also Liu Gengyin, vice-president of the Chinese People's Association for Friendship With Foreign Countries and Peruvian Ambassador to China Roberto Villaran Koechlin. Both of them recalled the continued development and ever-increasing exchanges of cooperation between the two countries in politics, economy, culture and other fields since the establishment of diplomatic relations between the two countries. They hoped for further development of friendly cooperation between the two sides.

Peng Zhen, chairman of the Standing Committee of the NPC, and Vivero and Villanueva exchanged messages of congratulation on the 15th anniversary of the establishment of diplomatic ties between the two countries.

LIAOWANG DISCUSSES CPC SESSION RESOLUTION

HK041549 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 43, 27 Oct 86 p 1

["Letter From Beijing" by Bao Xin (7637 0207): "An important Change in Formulation in the 'Resolution' of the CPC Sixth Plenary Session"]

[Text] My dear friend,

In your letter, you raised this question: At the 12th CPC National Congress, which was held in September 1982, it was decided that "a socialist spiritual civilization with communist ideology at its core" be built. But 4 years later, in the "CPC Central Committee's Resolution on the Guiding Principles for Building Socialist Spiritual Civilization," which was adopted at the 6th Plenary Session of the 12th CPC Central Committee in September this year, the phrase "with communist ideology at its core" is missing. Why? This question has indeed aroused people's attention. In studying this document, some mainland cadres have raised and discussed the same question.

People generally think that the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee is based on and has developed from the 12th CPC National Congress's strategic decision to strive to build a material civilization and a socialist spiritual civilization at the same time. Over the past 4 years, remarkable progress has been made in building spiritual civilization. However, we have also encountered some problems. To adapt ourselves to the new situation and to clarify the guiding principles for building spiritual civilization, it is necessary to appropriately amend some particular propositions. This is something acceptable.

Communism refers to two things: First, it refers to the ideological system of the proletariat, that is, the communist doctrine founded by Marx and Engels. And second, it refers to a certain social system. If "communist ideology" refers to the former, then it can be seen that it is clearly and appropriately pointed out in the "resolution" that socialist spiritual civilization should be "guided by Marxism." As a social system, communism has two stages: An initial stage -- that is, socialism -- and an advanced stage -- that is, communism. The word "communism" normally refers to the advanced stage. The Chinese socialist society is still at the initial stage and it will take China quite a long time to become a modernized socialist power. Thus, at the present stage, China's spiritual civilization can only be a socialist one.

It is also distinctly pointed out in the "resolution" that at present, the common aspiration of all nationalities in China is to build socialism with Chinese characteristics. Thus, it is necessary to respect, uphold, and develop various positive ideas and various kinds of positive spirit, to eliminate insular viewpoints that have been causing serious trouble for a long time, "leftist" viewpoints in particular, and to unite with various forces in order to jointly fight for the realization of our common aspiration. In addition, some people have pointed out that for quite a long time in the future, China must develop many economic components on the premise that public ownership will remain dominant and, with co-prosperity as its goal, encourage some people to become rich before others. Under such historical circumstances, it is necessary to accept, in moral construction, the reasonable difference in distribution among the people and to encourage people to act in a socialist collective spirit. For communists and the advanced, communism is the loftiest ideal. [paragraph continues]

In their opinion, socialism with Chinese characteristics is an inevitable stage in the course of realizing this ideal. They should stand in the forefront of the times, courageously explore, be selfless and devoted, and carry forward the communist spirit and communist moral values. This spirit and these moral values should also be advocated and encouraged in society. Thus, in building socialist spiritual civilization and in socialist moral construction, it is necessary to base ourselves on actual circumstances and to do things in an appropriate order. In addition to encouraging the advanced, it is necessary to take the majority of people into consideration and to combine the demands of the advanced with popular demands.

Some people have raised this question: The phrase "with communist ideology at the core" is something introduced by a party congress. Now, it has been amended at a plenary session of the party's Central Committee. Is this in keeping with the organizational principles? My answer is that it is in keeping with the organizational principles and the principles of proceeding from reality. In "Upholding the four cardinal principles," a speech Deng Xiaoping delivered in 1979, he said: It often happens that because of a change in the actual situation, the Central Committee must amend the resolution of one party congress before the next. Owing to the changes in the actual situation and in our own understanding of it, the line formulated by the party's 11th congress underwent necessary readjustment at the successive plenary sessions of the Central Committee, and particularly at the Third Plenary Session. Further readjustments may also be required in the future. This is entirely normal.

[Signed] Bao Xin

[Dated] 20 October

HONGQI ON IMPROVEMENT OF CADRES' WORK STYLE

HK050311 Beijing HONGQI in Chinese No 19, 1 Oct 86 p 47

[Article by He Dazhang (0149 1129 4545): "Two Items of Random Thought"]

[Text] A Heartening Failure [subhead]

I have heard the following story: A leading central government comrade was going to visit a county for a work inspection. Having heard this news, the county party committee secretary and the county governor went into frantic action and dragged in many people to dash off a voluminous pile of reports. When the leading central government comrade arrived, however, he did not let them read the reports, but asked them to answer two questions: First, what are the main strong points of the county, and second, what are the main current problems? Surprisingly, the county leaders could find no answers. This failure made them greatly dejected.

This incident makes one sigh with regret, for two reasons.

First, the adamant corrupt practice of formalism is regrettable. In formulating summary reports, some units like to include each and every detail, important or trivial, without any omissions; the phraseology entails repeated, meticulous deliberation -- for example, it takes a heated debate to decide whether the fulfillment of a task should be described as "relatively satisfactory" or "indicative of progress"; the theoretical flavor should be strong and it is highly desirable to quote authoritative works. Consequently, facts are obliterated through repeated rephrasing and the reports become empty talk and stereotyped writing which are "absolutely correct." [paragraph continues]

Moreover, the reports tend to contain tens of thousands of words and it seems that the longer they are, the better. Writing them is agonizing, reading them parches the orators' throats, and listening to them makes one sleepy. Such reports are harmful. Second, the incompetence of some cadres is regrettable. The leading cadre of a unit should know clearly, and always keep in mind, the main strong points and problems of his unit. If he must inquire of the secretary about these very matters, or must organize a meeting to discuss what they are, then how can he guide daily work? How can he be a qualified leading cadre? If he fails to tell what they are, what is the use of the tens of thousands of words in his report?

Despite these two reasons for regret, there is a reason for feeling heartened. That move by the leading central government comrade reflects a pragmatic spirit. If leading comrades at all levels also act in the same way, the old methods of thinking and work as well as bureaucracy and formalism will no longer work. The leading cadres of the county should consider that failure as a heartening one. We should also be inspired by the incident and conscientiously examine our own work style. Leading cadres should be well-informed about many things, but in the first place, they must know the important matters and must not depend on reports written by others to remember them. Work reports must be regularly made, but they must never be turned into stereotyped writing. Instead, they should be concise and state nothing but the truth. Moreover, comrades in charge of higher authorities should never judge the work done at the lower levels by their reports alone. They must go deep into reality and use their own brains. In this way, our work will surely be more effective.

What Nicknames Suggest [subhead]

People are nicknamed according to the features of their appearance, habits, or personality. Ordinary people often nickname "government officials" with reference to their style of work or their achievements in office; these nicknames imply praise or censure and embody the people's feelings. During the rule of the Qing Emperor Shunzhi, two high officials were sent successively to govern the area south of the lower reaches of the Chang Jiang. The first, Qin Shizhen, worked diligently and was nicknamed "Iron Face [incorruptible]." His successor, Li Chengshao, who was lazy, incompetent, and always drunk, was nicknamed "Mess." Someone rewrote Cui Hu's famous poem entitled "The Maiden's Face and the Peach Blossoms" and stuck the rewritten version on a wall; it read: "Two different faces appearing today and this day last year are Mess and Iron Face. Today the whereabouts of Iron Face are unknown, while Mess continues to be drunk and happy every day."

Nowadays, nicknames can still suggest many things. Comrade Wang Chonglun assumed his office as mayor of Harbin several years ago. He soon solved the problem of a shortage of beancurd in the land of soybeans, and got the nickname "Beancurd Mayor" which immediately became widely known. A deputy mayor of Nanjing in charge of urban amenities, brought perfect order to the city's municipal affairs and was nicknamed "Roads Mayor." Mayor Zhang Tiemin of Xian was impartial and incorruptible in managing municipal affairs. He did not even hesitate to punish his superiors when necessary. The nickname "Iron Mayor" not only resounded locally, but was also spread quickly across the country. Last year, Zhang Tiemin died from illness. Numerous Xian residents spontaneously surged into the streets to join the funeral procession to commemorate him. A several-character nickname can be just like public praise enunciated by tens of thousands of people; it can also express the eager desire of the masses for having cadres with the desired quality.

Of course, not all nicknames are like that. The residents of a certain city nicknamed their deputy mayor "Television Mayor," not because he helped popularize television viewing, nor because he helped improve the quality of television programs. The nickname did not blame him for appearing on television, but implied that the residents' knowledge of his achievements in office was limited to the frequent occasions, often 3 to 5 days apart, where he cut ribbons at opening ceremonies or attended banquets here and there, as seen in television news. How pertinent and profound was the criticism embodied in the nickname!

A nickname is a mirror reflecting reality. Breaking the mirror cannot help change the image in it. Moreover, that mirror is unbreakable because it exists in the hearts of the masses. If one wants to remove the censure implied by a nickname, one can only vigorously change one's style of work so that the masses will change their conception of oneself. It is hoped that our leading cadres can more satisfactorily tap valuable nourishment from nicknames.

PARTY LEADERS' CHILDREN CONVICTED OF CRIMES

HK030739 Hong Kong HONGKONG STANDARD in English 3 Nov 86 p 5

[Sons of Top Party Men Face the Firing Squad" by David Wong and Ian Chung]

[Text] In a major crackdown against crime committed by the "princes' faction", several children of senior party officials have been convicted, and some even executed, by the authorities earlier this year.

Their crimes included rape, fraud, smuggling and graft.

Those executed include Hu Xiaoyang, son of Mr Hu Lijiao, the head of the People's Congress Standing Committee in Shanghai; Chen Xiaomong, son of former propaganda chief of Shanghai Chen Guodong and Ge Zhiwan, the son of a senior official in the municipal government.

They were shot in February for raping or molesting 51 women over a period of four years.

Ye Zhifeng was jailed for 17 years for economic crimes. She is the daughter of former army commander and deputy chairman of the National People's Congress Standing Committee, Ye Fei.

Her accomplice, Zhang Changsheng was executed by firing squad. His father is the deputy director of the Foreign Affairs Bureau of the People's Liberation Army General Staff.

There are also unconfirmed reports that the sons of other top Chinese officials, including Jiang Hua, Peng Zhen and Hu Qiao are in custody awaiting trial.

If the reports are true, it means the authorities are determined to root out corruption and crime, regardless of social position or political influence.

The sweeping anti-crime crackdown seems to be the authorities' response to criticism that only "small fry" are arrested for publicity purposes while the "sharks" go scot free.

One case which has drawn a lot of publicity is the reported arrest of Liu Shikun, the son-in-law of the late Marshal Ye Jianying, one of China's most respected leaders.

Liu was said to have raped or indecently assaulted dozens of young girls, a crime which carries the death penalty in China.

ARTICLE LISTS LEADERS' CHILDREN WHO STUDY ABROAD

HK030701 Hong Kong HONGKONG STANDARD in English 3 Nov 86 p 5

["Who Gets To Study Abroad" by David Wong and Ian Chung]

[Text] Many Chinese students sent abroad for further studies are from families of high-ranking officials.

Deng Zhifang, the youngest son of top Chinese leader Deng Xiaoping, led the "exodus" of the yanei or the "princes' faction."

He was sent to the Rochester University in New York in 1981. His wife, Liu Xiaoyuan, joined him four years later.

After Deng was Bo Jieying, the daughter of Chinese Vice-Premier Bo Yibo. She studied at a university in Massachusetts.

Li Xiaoxiao, the second daughter of the late Chinese President Liu Shaoqi, went to the University of Boston, while her younger sister left for West Germany.

Since the People's Liberation Army has a dominant role in China's political arena, the children of leading military leaders also enjoy such privileges.

Chen Xiaolu, son of the late Chinese Defence Minister, Chen Yi, was a student at the University of Austin in Texas, while Marshal Ye Jianying's daughter, Ye Xiaoping, went to the Georgetown University in Washington, D.C.

But Huang Bing, the son of former Chinese Foreign Minister Huang Hua, studied at the most prestigious institution; he went to Harvard.

Even the more politically-conservative leaders are keen on letting their children have a taste of Western civilisation.

Chen Zhongying was sent by his father, Chen Yun, chairman of the party's Central Disciplinary Commission, to the Massachusetts Institute of Technology.

But in 1982, Japan was favored over the United States and a number of senior officials' children were sent to top universities there.

Among these were Wang Xiaoping, son of Wang Xiaoyun, Chinese envoy to Japan; Wu Fan, son of Wu Shudong, Councillor in the Chinese Embassy in Japan; and Cai Xian, Jin Jingyi, Zhang Jingping, whose fathers are councillors in the Chinese Embassy in the country.

Other high-ranking officials, including Tan Qilong, former party secretary of Guizhou; Sun Shangqing, deputy director of the Economic Research Institute of the Chinese Academy of Social Sciences; Fu Hao, former Chinese Ambassador to Japan, and Hu Keshi, former Vice-secretary of the Central Committee of the Chinese Communist Youth, also sent their children to Japan for studies.

Universities in the United States and Japan continued to be the major destinations for children of officials in 1983.

Some notable examples were Chen Xiaoshan, grand-daughter of Chen Yun, who went to the Rochester University in New York, and Wang Zunming, daughter of Wang Jianchang, who was admitted to another university in the States.

In 1984, The University of Boston in the United States admitted two sons of Ma Yi, Party Secretary of Chinese Academy of Social Sciences, and a daughter of the vice-chairman, Yu Qiuli.

In the same year, Liu Pingping, daughter of Liu Shaoqi, left for the States to pursue a doctoral degree.

Last year saw a continued flow of privileged children to the States. Wu Jie, son of Wu Lanfu, Vice-Head of State, and son-in-law of Chen Yun, was one of them.

Others included Bo Xiangjiang, Vice-premier Bo Yibo's son, who left for the University of Massachusetts; Zhang Xiaoi, daughter of Chinese Defence Minister Zhang Aiping, was at the St Mary's College of California; and Li Andong, son-in-law of Vice-Premier Wan Li, who did a course in music at the University of New York.

In addition, there were Shen Dongming, son of Shen Tu, general director of the CAAC, at the University of Wisconsin; Geng Yan, daughter of Geng Biao, Vice-chairman of the Standing Committee of the National People's Congress, at Harvard University.

Tian Xiaobing, daughter of Xu Shiyu, the late Chinese Defence Minister, at University of California, Los Angeles; and Fu Li, son of Fu Zuoyi, the late Vice-Chairman of the Chinese People's Political Consultative Conference, at Temple University in Pennsylvania.

Fu Zuoyi was an army marshal of the Kuomintang before he defected during the civil war.

RENMIN RIBAO ON AERONAUTIC TECHNOLOGY PROGRESS

HK291535 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 2

[Dialogue from Guangzhou by RENMIN RIBAO Reporter Feng Xiao (7458 7197): "Foreign Businessmen Attending 60th Guangzhou Trade Fair Astonished by Progress of China's Aeronautic Technology"]

[Text] New aeronautic technology projects and aeronautic products on display at the 60th Guangzhou trade fair have drawn extensive attention of foreign businessmen. Chatting in the lobby of Dongfang Guesthouse, several guests from Europe and America unanimously pointed out: "The progress China has made in the field of aeronautic technology is really astonishing!"

The number of new products on display at the current trade fair has increased remarkably, comprising 25 to 40 percent of the total number of items on display. "High technology products are the very items that can show the technological standard attained," a British businessman emphasized. "Projects and products like satellites, ground receiving stations, micro-reactors, transport planes, passenger planes, and man-made satellite launching service have made a deep impression on us," several American businessmen said.

These foreign businessmen showed great interest in the wide variety of versatile airplanes of different models and sizes marketed by the China National Aerotechnology Import and Export Corporation. They cited a series of airplanes, such as the "Yun-12" and "Yun-8" transport planes, "Zhi-9" helicopter, "Yun-7-1-100" passenger plane, "1-100" airplane, "Petrel" airplane for agricultural use, "Qiang-5" airplane, and hang-gliders. This showed that they were quite familiar with China's aerotechnology products. When our reporter told them that it was China-built "Zhi-9" helicopters that performed the highlight program -- "Fairy Maiden Spreading Flowers" -- during the opening ceremony of the trade fair on 15 October, all of them applauded and said: "Oh, now we understand why the flowers spread from the sky were so beautiful that day!"

It is said that China-built airplanes have now been replacing imported airplanes in civil aviation and are being used by the Civil Aviation Administration of China to provide branch airline service. China-built intermediate-and short-distance transport planes currently in service are equipped with modern operating systems. They can fly safely and reliably with lower fuel consumption. Besides, their selling prices are low and they demand a lower qualitative standard of the runway. All these features have made a deep impression on many foreign businessmen attending the trade fair.

RADAR DEVELOPMENTS NOTED AT NANJING CONFERENCE

OW041707 Beijing XINHUA in English 1431 GMT 4 Nov 86

[Text] Nanjing, November 4 (XINHUA) -- China is now able to produce more than 100 models of radar, a veteran Chinese radar specialist said here today.

They are in wide use in defence, ground measuring and control systems in the space program, navigation, aviation, weather forecasting, and remote sensing and laser technologies, senior engineer Feng Shizhang of the Chinese Electronics Industry Ministry told radar specialists and scholars attending an international conference on radar which opened here today.

I. 5 Nov 86

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China has also developed a new generation of radars, including phased array radars, 3-dimension radars, over-the-horizon radars, synthetic aperture radars and pulse-doppler radars to be used in the space program or for defense purposes, the exploration of resources and the safety of navigation, the 63-year-old professor said.

In addition, a breakthrough has been made in the technology of frequency-agility, moving-target-detection, ultra-low side antenna and low-angle tracking.

Feng said China's phased array radar has not only supported the development of the country's space technology but also attended world space activities. It predicted accurately the site where a Soviet nuclear-powered satellite began to decay downward in 1983, he said.

Starting from scratch, China's radar industry has now established a fairly complete system comprising scientific research and production.

He admitted, however, China is still behind developed countries in radar technology because of its poor foundation in the electronics industry.

China's first radar was developed in the 1950s in Nanjing, a major radar-producer in the country.

The four-day conference, sponsored by the Radar Society of the Chinese Institute of Electronics, was attended by over 40 radar specialists and scholars from 12 countries.

XICHANG SATELLITE LAUNCHING SITE TO BE DEVELOPED

HK050851 Hong Kong WEN WEI PO in Chinese 4 Nov 86 p 1

[Report by contributing reporter Yang Yung-nien (2799 3057 1628): "Construction Work To Expand the Xichang Satellite Launching Center Begins"]

[Text] In order to better meet the needs of putting our country's carrier rockets in the international markets, the Xichang Satellite Launching Center in Sichuan Province will be expanded and rebuilt. the inaugural ceremony of the expansion project was held on the launching site on 1 November.

Since the satellite launching center was built in 1984, it has successfully launched Changzheng-3 carrier rockets to send three synchronous communications satellites into outer space. Now, a number of companies in the United States, Sweden, and Britain have expressed the desire to use the Xichang launching center to launch their satellites.

The project of the Xichang launching center started in the mid 1970s. The site enjoys such favorable natural conditions such as being located at a low latitude, a narrow yearly temperature difference, and a short wet season. [paragraph continues]

The testing, launching, surveying, and controlling equipment in the center, as well as the Changzheng rockets and satellites, are all designed and produced by China herself.

In addition, the fuel used by the third promoter of the Changzheng-3 rockets launched by the Xichang center is liquid hydrogen and oxygen newly developed by the research organizations. Such liquid fuel is able to release high energy at a comparatively low temperature. At present, only the United States, France, and China have mastered the technology of producing such sophisticated fuel. The Soviet Union is still in the testing stage.

ZHANG AIPING OPENS DEFENSE TECHNOLOGY EXHIBITION

OWO41609 Beijing XINHUA in English 1436 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Nearly 160 manufacturing firms from Asia, Europe, and North and South America are displaying sophisticated arms and their production technology at an exhibition which opened here today at the China International Exhibition Center.

On show are materials, samples, models and photos of fighter aircraft, helicopters, tanks, armored vehicles, guns, missiles, air defence artillery, light and heavy weapons, ammunition and detonators, radio communication equipment, radar, photoelectric equipment and ships, covering over 20,000 square meters of floor space.

This is the largest exhibition of its kind to be held in China, according to an official from the exhibition center.

State Councillor and National Defense Minister Zhang Aiping cut the ribbon to open the exhibition, attended by other high-ranking Chinese military officers as well as foreign diplomatic envoys in China.

Visitors showed great interest in exhibits like the Rafale fighter aircraft developed by the Avions marcel Dassault-Breguet Aviation Co of France and its mirage fighter aircraft, Swordfish ultrahigh frequency transceivers by the British Marconi Communication Systems Limited, Hummer multi-purpose vehicles by LTV Aerospace and Defense Company of the United States, antitank mines by Italian Misar S.P.A. and China-made conventional weapons.

The participating companies will give technical seminars on more than 60 subjects. A high-technology conference will be held, and armoured vehicles and conventional weapons demonstrated during the exhibition.

More than 100 defence policymakers and buyers from 37 countries have been invited to attend, according to SZE A-lan, project director of Commedia Associates Ltd, which is the organizer for the exhibition.

He expected that the exhibition will attract more than 100,000 visitors including over 1,300 from around the world.

BANK EXPANDS LOANS TO FOREIGN-FUNDED ENTERPRISES

OW291142 Beijing XINHUA in English 1127 GMT 29 Oct 86

[Text] Beijing, October 29 (XINHUA) -- The Bank of China will extend loans not only to Sino-foreign joint venture enterprises, but also to Sino-foreign cooperatives and projects with sole foreign investment, a bank official said here today.

This revision of the loan service was worked out recently in accordance with the new foreign-investment policies to improve conditions for overseas investors, which came out early this month.

According to the revision, export enterprises and technologically-advanced enterprises with foreign investment will have top priority to get loans from the Bank of China.

In addition to the conventional loan service, the official said, the bank will open a new service allowing customers to be overdrawn in a current-deposit account.

Also, foreign-funded enterprises can obtain mortgages on property with proper registration of assets.

The Bank of China will organize international banking groups to provide loans to a larger project if necessary.

So far the bank has already provided loans totalling 600 million U.S. dollars and 2.6 billion yuan (about 700 million U.S. dollars) to 852 foreign-funded enterprises.

ARTICLE VIEWS OUTLOOK FOR SALES TO CHINA

HK030804 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 3 Nov 86 p 1

["Exchange Curbs Will Restrict China Sales" by Gerry Marron]

[Text] Deterioration of international payments position will result in stringent foreign exchange controls and difficulties in selling to China for the next 12-18 months.

And Beijing's foreign exchange crunch is unlikely to ease before the end of next year, according to political and economic forecasting experts Business International Asia/Pacific.

"Bankers will see more PRC borrowing in international capital markets. During the first half of 1986 the country drew U.S. \$2.5 billion in foreign loans, up 200 percent from the same 1985 period," says the organisation's latest intelligence report.

I. 5 Nov 86

K 11

CHINA
PRC NATIONAL AFFAIRS

"The overall debt burden, however, will remain low through 1988. At the end of 1985 foreign debt was around U.S.\$15 billion, or 5.6 percent of GDP," it adds.

The intelligence paper says that China's failure to trim its huge import bill in the first six months of 1986 implies a worse than expected international payments picture and a prolonged foreign exchange crunch.

"Although exports and invisible earnings grew at a rate of more than 15 percent in the first half of 1986 imports continued to rise (by eight percent) as well -- resulting in a \$6 billion trade deficit for the six months -- and a \$1.4 billion drop in foreign exchange reserves.

"Chances are China will end the year with a trade shortfall of some \$8 billion and stay in the red for the next two years -- partly due to soft oil prices and barriers against PRC textile peoples," it adds.

The analysts say that slower foreign investment -- the contracted amount was down 20 percent -- is intensifying China's balance of payments problems.

This is resulting in renewed efforts to woo investors from other countries, mainly with lower labour and land charges and promises to cut red tape.

"Besides pressure to buy from China, firms also face more difficulties selling to the PRC with preferential trade credits becoming increasingly critical," it reports.

The intelligence paper also pays close attention to the state of the currency.

With its one-short Renminbi devaluation in July, the Chinese financial administration departed from the traditional philosophy that exchange rate adjustments should be gradual and smooth, the report said.

"The current large trade deficit suggests the need for a further weakening of the PRC's currency but another drastic adjustment is unlikely before the end of the year," it predicts.

"Most likely a confusing exchange environment will continue with stiff forex controls and an inconvertible renminbi running side by side with unchecked grey and black markets."

The analysts say that an experiment in the Shenzhen special economic zone -- which allowed limited convertibility of renminbi through a forex adjustment centre -- will probably lead to the system being introduced in several other coastal cities.

"But in the next 18 months, no major improvements in the foreign exchange control environment should be expected," they reported.

Business International Asia/Pacific says that GDP will expand at a moderate rate of about seven percent in 1986 following on from a runaway growth rate of 12 percent the previous year.

It predicts that stringent credit and spending controls will curb PRC enterprises' bonus paying spree and slow wage hikes in light industry.

Over the next two years, the report predicts a nationwide annual one to two percent increase in real wages.

NATIONAL CONFERENCE ON ELECTRONIC EXPORTS ENDS

OWO41126 Beijing XINHUA in English 0645 GMT 4 Nov 86

[Text] Fuzhou, November 4 (XINHUA) -- Cooperation among multi-regional electronic producers in the past two years, according to a national conference just concluded here.

An electronics group consisting of 30 enterprises in different parts of the country will export 500,000 color TV sets to the United States under a contract signed this year, the National Electronics Conference reported.

The output value of the group reached 220 million yuan last year.

Another, Guizhou Electronic Company, made up of eight branches and 24 factories, exported 90 percent of its printed plates to the United States last year.

The Huashan Electronic Device Company, a group of south China and southwest China enterprises, has become a major production base of export commodities.

RENMIN RIBAO ON DEVELOPMENT OF MOUNTAIN AREAS

Symposium Held

HKO41525 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 3

[Article by reporters He Xinghuan (0149 2502 3831) and Zhang Minqiu (1728 2404 3061): "Hundreds of Specialists Go Deep Into Wuling Mountain Area To Conduct Surveys -- They Make Suggestions for Transforming the 'Poor But Richly Endowed' Area"]

[Excerpts] Wuling mountainous area is an old revolutionary base area and an area in which minority nationalities live in compact communities. It has been in a state of poverty and backwardness for a long time. Its development level is far inferior to the national average. It badly needs comprehensive development and a series of feasible measures and special policies. [paragraph continues]

For this reason, hundreds of specialists from various fields have been sent by the relevant departments of the central authorities to conduct surveys and investigations in various counties of the Wuling mountainous area, to help the people of all nationalities in the 43 counties of the Wuling mountainous area solve the problem of adequate clothing and food as quickly as possible, and to help them gradually become well-off. On this basis, a symposium on comprehensively developing and administering the rural areas of the Wuling mountainous area was held from 17 to 22 October in Dayong City, Hunan Province. The symposium thoroughly discussed and studied the guiding ideology, the development objective, and the basic measures regarding the comprehensive development and administration of the Wuling mountainous area.

Although the Wuling mountainous area has good natural conditions and rich and varied resources, its production is backward due to historical reasons and the current realities. As a result, the people of Tujia, Miao, and Dong nationalities there still live in poverty. [passage omitted]

To carry out the work of comprehensively developing and administering the Wuling mountainous area, the symposium deliberated on and established a coordination group which will assume overall responsibility for coordinating the work in a planned way. The group's leading members come from the relevant departments of the central authorities. The group is composed of leaders of Hubei, Hunan, Sichuan, and Guizhou Provinces and some specialists. At the same time, the four provinces' academies of agricultural sciences and agricultural colleges also deliberated on and established a scientific and technological coordination group to strengthen contacts and exchanges for helping the poor and promoting development in the scientific and technological field.

Entrusted by the State Scientific and Technological Commission, the State Nationalities Affairs Commission, the Ministry of Agriculture, Animal Husbandry, and Fisheries, and the China Association for Science and Technology, the Chinese Association of Agricultural Science Societies held this symposium jointly with the Chinese Society of Forestry, the Chinese Society of Hydraulic Engineering, and the relevant departments of Hunan, Hubei, Sichuan, and Guizhou Provinces.

Commentator's Article

HK041529 Beijing RENMIN RIBAO in Chinese 27 Oct 86 p 3

[Commentator's article: "Adopt a Scientific Approach to Achieve a New Understanding of Our Mountainous Areas"]

[Text] Ours is a country with a vast territory. However, mountainous areas account for more than 70 percent of the total area of China. The existence of many mountains is also a characteristic of our country. How are we to develop and administer our mountain areas? This is an important question for study during the realization of the four modernizations.

The natural conditions of our mountain areas are complicated and the mountain areas are very hard to reach. Due to natural conditions and historical reasons and also due to certain faults in our work, the great majority of our mountain areas are still backward economically and culturally compared with the flatlands.

About 60 percent of China's poor countries are in the mountain areas of South China. The great majority of these poor mountain areas are old revolutionary base areas and areas in which minority nationalities live in compact communities. Therefore, it is of great political, economic, and strategic significance to develop the mountain areas and help people there to free themselves from poverty and become rich.

We did not begin today to pay attention to developing and administering the mountain areas. A few years ago, we blindly popularized the so-called "Dazhai experience," ignored local conditions, and asked all mountain areas to grow grain. As a result, many mountain areas destroyed their vegetation and caused soil erosion. There was a vicious circle: The poorer they became, the more land they cultivated; the more poorer they became. In developing the mountain areas, we must draw on this lesson from bitter experience and stress "respecting knowledge and qualified personnel" and qualified personnel" and scientific guidance. The State Scientific and Technological Commission and scientific and technological committees in many areas to conduct scientific surveys and feasibility studies and to helping governments at all levels with their scientific planning and policy decisions. This is a very encouraging beginning.

If we adopt a scientific approach to the study of the mountain areas, we can see that the mountain areas are full of treasures. We can turn poverty into wealth so long as we develop commodity production in line with local conditions and under the guidance of the party's policy of enabling the people to become rich. From a long-term point of view, we can see that the mountain areas are not hindrances to the four modernizations but are the bases for making our country and our people rich. The key to the realization of this transformation lies in sending science to the mountain areas and in using intelligence to help poor people become rich. "I do not know what Lu Shan really looks like -- but this is just because I am on this mountain." Cadres and the masses in the mountain areas must also adopt a scientific approach to achieve a new understanding of their mountain areas. Once they have mastered science and technology and raised their education level, they will find many ways to become rich and will possibly find ways that are more resourceful and effective than those planned by higher authorities.

NATIONAL SOCIAL SCIENCE RESEARCH MEETING ENDS

OWO41709 Beijing XINHUA in English 1442 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- Research into philosophy and other social sciences will be concentrated on applying theory to solving the problems of the present reforms over the next five years.

A seven-day national meeting to draw up social sciences research tasks ending here today decided on 350 research topics on Marxism-Leninism, Mao Zedong Thought, philosophy, economics, political science, law, history and international affairs.

One is the "development in China of Marxism-Leninism-Mao Zedong Thought since the Third Plenary Session of the 11th party Central Committee," according to an organizing official. The session in 1979 was the beginning of China's reform.

I. 5 Nov 86

K 15

CHINA
PRC NATIONAL AFFAIRS

Compared with the research tasks of the past five years, the official said, the new topics stress solutions to the problems of reform, law and the building of socialist morality.

The scholars agreed that the present free intellectual atmosphere is ideal for academic research.

NATIONAL COMMISSION FOR UNESCO HOLDS MEETING

OW041711 Beijing XINHUA in English 1458 GMT 4 Nov 86

[Text] Beijing, November 4 (XINHUA) -- The Chinese National Commission for the United Nations Educational, Scientific and Cultural Organization (UNESCO) held a meeting here today to celebrate the 40th anniversary of the founding of UNESCO.

Yang Haibo, chairman of the Chinese National Commission for UNESCO and vice-minister in charge of the State Education Commission, said at the meeting that the purpose of UNESCO is to contribute to peace and security by promoting collaboration among nations through education, science and culture. This reflects the common (?aspirations of the world's) people for developing education, science and culture, and for maintaining world peace.

China is one of the founding members of UNESCO. This year is the 40th anniversary of the organization and also the 15th anniversary of China's renewed participation in UNESCO's activities after it had resumed its legitimate seat in the organization, he said.

Lai Hanxuan, ambassador and permanent delegate of the People's Republic of China to UNESCO, who also attended the meeting, said that UNESCO faces the issue of multilateral international cooperation which is the logical requirement of the social, economic, scientific and technological development of the present-day world, and the common aspiration of the world's people. China is fully committed to this goal, he stressed.

Attending the meeting were Yan Jici, vice-chairman of the National People's Congress Standing Committee, and officials from UNESCO.

YE JIANYING'S ASHES INTERRED IN GUANGZHOU

HK041505 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 31 Oct 86

[Excerpts] A ceremony to temporarily inter the ashes of Comrade Ye Jianying was solemnly held at the old site of the Peasant Movement Institute, Guangzhou, at noon today. Escorted by leading comrades of the central authorities, including Wang Zhen and Wang Zhaoguo, and relatives of Comrade Ye Jianying, including Ye Xuanping, the ashes of Comrade ye Jianying were transported to Guangzhou by special plane today at 1100. The ashes of Comrade Ye Jianying were delivered by Comrade Ye Xuanping and a bier-welcoming team to the old site of the Peasant Movement Institute, Guangzhou, and were placed in the center of the mourning Hall. Four PLA fighters stood guard on either side of the box of ashes. [passage omitted]

Provincial party committee Secretary Lin Ruo presided over the ceremony to temporarily inter the ashes. Amid the funeral music, some 1,000 people of various circles attending the ceremony stood in silent mourning and made three bows to the portrait of Comrade Ye Jianying.

Attending the ceremony to temporarily inter the ashes of Comrade Ye Jianying were leading comrades of the central authorities, including Wang Zhen and Wang Zhaoguo; vice chairmen of the CPPCC National Committee who were in Guangzhou, including Mao Yisheng and Wang Enmao; responsible comrades of the Guangzhou party, government, and army; and members of the Central Advisory Commission, including Lin Ruo, You Taizhong, Zhang Zhongxian, Ye Xuanping, Liu Tianfu, Li Jianzhen, and [name indistinct]. (Wang Quanguo), responsible person of the Guangdong Nuclear Power Station; Li Hao, mayor of Shenzhen City; and (Ke Zhengting), responsible person of the (Nan-Kuang) Company, Macao, made a special trip to Guangzhou to attend the ceremony to inter the ashes. Others attending the ceremony were members and alternate members of the central authorities, members of the Central Discipline Inspection Commission, NPC Standing Committee members, and CPPCC National Committee Standing Committee members who were in Guangzhou; Red Army veterans and veteran cadres in Guangzhou; responsible comrades of all democratic parties of the province and city and of people's organizations; relatives and working personnel of Comrade Ye Jianying; and the masses of various circles.

DENG LIQUN, MAO ZHIYONG VISIT HUNAN CEREMONY

HK280809 Changsha Hunan Provincial Service in Mandarin 0100 GMT 26 Oct 86

[Excerpts] On 25 October, people of various nationalities in Shangzhi County, as well as representatives from other parts of China, totaling more than 5,000 people, gathered together and attended the inauguration ceremony for a monument commemorating the Long March starting point of the No 2 Front Army of the Workers and Peasants Red Army.

Deng Liqun, secretary of the Central Secretariat; Liao Hansheng, vice chairman of the NPC Standing Committee; Zhang Pinghua, member of the Central Advisory Commission; and Mao Zhiyong, secretary of the provincial party committee, cut the ribbon for the monument. [passage omitted]

At the inauguration ceremony, Liao Hansheng, vice chairman of the NPC Standing Committee; and Liu Zheng, deputy secretary of the provincial party committee, made speeches.

The ceremony was also attended by Yang Zhengwu and Yin Changmin, members of the CPC Central Committee; Li Zhenjun, responsible person of the Central Commission of Political Science and Law; Wang Zhiguo, Shi Jie, and Chen Xueyuan, responsible people of the provincial Advisory Commission; (Gu Shangqing), political commissar of the provincial Military District; He (Jiesheng) and He (Xiaoming), daughters of the late Comrade He Long; Ren (Yuanzhi), daughter of the late Comrade Ren Baishi; and (Jiao Ruilin), representative of the veteran Red Army soldiers.

DENG LIQUN ATTENDS HE LONG STATUE UNVEILING

OW271053 Beijing XINHUA Domestic Service in Chinese 0746 GMT 27 Oct 86

[Text] Changsha, 27 Oct (XINHUA) -- A bronze statue of He Long, holding a pipe in hand, wearing the marshal uniform, and with his horse close by his side, was unveiled on 26 October on Tianzi Shan in Sangzhi County, Hunan Province.

This bronze statue of He Long is located on Yunqing Yan of Tianzi Shan. It is 6.5 meters high and weighs more than 9 metric tons. By the left side of the statue is a natural slate, on which are engraved inscriptions by Comrades Hu Yaobang, Peng Zhen, and Liao Hansheng.

Among those present at the unveiling ceremony were Deng Liquan, member of the Secretariat of the CPC Central Committee; Liao Hansheng, vice chairman of the NPC Standing Committee; and Mao Zhiyong, secretary of the Hunan Provincial Party Committee.

XI ZHONGXUN ATTENDS EXHIBIT, HALL DEDICATION

OW271929 Beijing XINHUA in English 1623 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Over 200 distinguished figures from drama circles gathered at No 9 Huguosi Street in the west of Beijing today to attend the opening ceremony of a memorial hall dedicated to the late Beijing Opera Maestro Mei Lanfang.

Member of the Political Bureau of the Chinese Communist Party Central Committee Xi Zhongxun unveiled a plaque bearing the words "Mei Lanfang Memorial Hall" written by top Chinese Leader Deng Xiaoping.

Addressing the assembly, Ying Luocheng vice-minister of culture said Mei Lanfang (1894-1961), who contributed over 50 years to Beijing Opera, left a treasure house of art for the Chinese people.

Mai Shaowu, deputy director of the memorial hall and Mei Lanfang's fifth son, said that the hall has collected altogether 30,000 items relating to his father -- photos, pictures, books and librettos, falling into 13 categories.

Born into a Beijing opera performer's family in Beijing, Mei Lanfang began his career at nine years old. He gave more than 400 performances in his lifetime. He was called "a real performer and creator of beauty" by his colleagues.

He made many innovations in the Beijing Opera as well as learning from tradition and turned out many new plays including ones with modern as well as historical themes.

"The Drunken Beauty", "The Riverside Pavilion", "The Meeting at the Broken Bridge", "Xi Shi" and many other operas performed by Mei Lanfang are considered to have reached the peak of the art. The noted Beijing Opera performers Zhang Junqiu, Du Jinfang and Mei Baojiu, the youngest son of Mei Lanfang, are all students of the Mei School. Mei Lanfang's students are now scattered all over China, Japan, Southeast Asia and the U.S.

Mei Lanfang performed abroad nine times to introduce Beijing opera to the world. His art exerted a great influence on foreign dramas, and was ranked in the three international performance schools which also include Brecht and Stanislavski.

I. 5 Nov 86

K 18

CHINA
PRC NATIONAL AFFAIRS

After the founding of New China, Mei Lanfang took an active part in promoting cultural exchanges between China and foreign countries. He was vice-chairman of the China Federation of Literary and Art Circles and vice-chairman of the All-China Dramatists Association.

Attending today's ceremony were other Chinese leaders and Cao Yu, chairman of the All-China Dramatists Association, Japanese Ambassador Yosuke Nakae and officials from embassies in Beijing.

BA JIN'S LAST WORK TO BE ESSAY COLLECTION

OW251414 Beijing XINHUA in English 1209 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- A collection of essays by Ba Jin, China's leading writer, is to be published under the title, "Random Thoughts" by the Joint Publishing Co at the beginning of next year.

This will be the last work by Ba Jin, who is 82 years old, according to the writer himself.

Ba Jin (Pa Chin) was born in Chengdu, Sichuan Province in 1904. His first novel, "Destruction", was published in 1928 when he was studying in France. Three years later he wrote a sequel, "New Life", in Shanghai.

In the next ten years, Ba Jin finished a trilogy of love -- "Fog", "Rain" and "Lightning" -- and a trilogy of turbulent currents -- "Family", "Spring" and "Autumn." After that, he wrote many other works, including novels, essays and features.

In 1982, he was awarded the Dante International Prize in Florence, Italy.

"Random Thoughts" was written over the past eight years. It consists of 150 essays and is arranged into five volumes according to the sequence of their publication. The five subtitles are "Random Thoughts," "Exploration," "True Words," "In Illness" and "Untitled."

Commenting on the work, Feng Mu, vice-chairman of the Chinese Writers Association, said, "This book transmits the voice of the time. The 150 articles mirror the development of our times and history from various aspects, and show the brilliant thoughts of the author toward social life, ideology, spiritual civilization and morality."

The author wrote in the postscript of the book, "The defect of our generation is the utterance of too many empty words. Having written for more than 60 years, I should now beg my tolerant readers' pardon. With deep gratitude, I'm saying good-bye to you and presenting you with these five small books, which I call 'books of true words'."

SANXIA PROJECT STUDIES TO BE COMPLETED IN MARCH

HK291041 Hong Kong WEN WEI PO in Chinese 29 Oct 86 p 1

["Special Dispatch from Wuhan on 28 October" by contributing reporter Fang Meng (2455 5536): "Cheng Zihua Personally Goes to Gezhouba as the Head of a Group; Feasibility Studies on the Sanxia Project Are Being Intensified and Several Hundred Specialists Are Carrying Out Surveys Along the Chang Jiang"]

[Text] To carry out scientific feasibility studies on the Sanxia prroject, a giant key water control project on the Chang Jiang, the State Council has established special organizations and organized a total of 14 study groups comprised of over 300 specialists in geology, geomorphology, hydrology, quicksand, earthquakes, and ecology. The 14 study groups have been sent to the Chang Jiang Valley to carry out large-scale feasibility studies in different categories. All the feasibility studies are being intensified. It is estimated that the feasibility studies will be completed in March next year.

After carrying out a survey in Chongqing City, the group of specialists engaged in the study of the "unified planning and water level" on the Chang Jiang, which is one of the 14 study groups, has headed eastward by boat to carry out surveys along the Chang Jiang. The group's major tasks are to study the Sanxia project's economic effects on Chongqing, southwest China, central China, and east China; to study the Sanxia project's economic effects on the Chang Jiang Valley; to study the Sanxia project's economic effects on the whole nation; and to study and make a comparison between different plans for building the great dam.

Cheng Zihua, vice chairman of the CPPCC National Committee and member of the central coordination group for the key water control project in Sanxia, accompanied by Hubei Province Vice Governor Wang Hanzhang and Hubei Provincial CPPCC Committee Vice Chairman Hu Hengshan, has inspected Gezhouba and Sandouping, a site for the dam of the Sanxia project. Cheng has acquired detailed knowledge of issues concerning the project such as the silt of the Chang Jiang, shipping, flood control, the evacuation of people, and the building of supplementary projects.

A total of 20 specialists and senior economists from Canada have also participated in work concerning the Sanxia project such as surveying, feasibility studies, and consultation. These specialists and senior ecoomists, who specialize in shipping, hydrology, silt, waterpower, environmental protection, and the evacuation of people, were sent to China by the Yangtze River Corporation under the World Bank. They have arrived in Chongqing and have begun carrying out systematic and meticulous surveys along the Chang Jiang.

LI PENG SUPPORTS NEW TRAFFIC CONTROL PLAN

OW290504 Beijing XINHUA Domestic Service in Chinese 1425 GMT 28 Oct 86

[By reporter Zhou Changxin]

[Excerpts] Beijing, 28 Oct (XINHUA) -- Since highway traffic across the country is now systematically under the unified control of public security departments, public security and communications deppartments should henceforth do better in supporting and cooperating in their work.

Minister of Public Security Ruan Chongwu and Minister of Communications Qian Yongchang expressed this common aspiration at a national telephone meeting of public security and communications departments, jointly called by their ministries, this evening.

In a circular issued on 7 October, the State Council announced its decision to put urban and rural road traffic under the unified control of public security departments. [passage omitted]

This reporter learned that, prior to the meeting, Ruan Chongwu and Qian Yongchang had jointly submitted a report to leading comrades of the State Council on reform of road traffic control throughout the country. After reading the report, Vice Premier Li Peng pointed out that this problem which had remained unsolved for years, was quickly solved and that the spirit of proceeding from the interests of the state and the people should be promoted.

WAN LI INSPECTS JIANGXI PORCELAIN CITY

OW310337 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Oct 86

[Text] Braving the rain, Wan Li, member of the CPC Central Committee Political Bureau and vice premier of the State Council, inspected the porcelain metropolis of Jingdezhen on 26 October. During the inspection, he stressed: Jiangxi has great potential and is very promising. It is necessary to proceed from reality; work in a bold and creative manner; further develop the commodity economy; and speed up construction in Jiangxi.

Accompanied by provincial committee Secretary Wan Shaofen and Governor Wu Guanzheng, Vice Premier Wan Li inspected the Jingdezhen Ceramics Museum, the Jingdezhen City People's Porcelain Factory, and the Guyao Porcelain Factory. Also accompanying Vice Premier Wan Li on the inspection tour were Ding Guangen, minister of railways; Yan Ying, deputy secretary general of the State Council; Wu Mingyu, vice minister in charge of the State Scientific and Technological Commission; and Deng Cunlun, former vice minister of railways. Also present was Vice Governor Qian Jiaming.

Vice Premier Wan Li was very concerned about the construction and development of the porcelain metropolis. Braving the torrential rain, he visited the People's Porcelain Factory and the Guyao Porcelain Factory, cordially chatting and eagerly shaking hands with workers in the workshops and beside the kilns, in order to understand the entire process of ceramics production. Vice Premier Wan Li also inquired about the implementation of the plant director responsibility system, democratic management of enterprises, reform of the distribution system, alleviation of enterprise burdens, and problems related to ceramics production.

When he learned of the keen competition confronting Jingdezhen ceramicware under the current rapid development of domestic and overseas ceramics production, Vice Premier Wan Li said: Competition is good. Competition can encourage people to work hard and strive for improvements. When he heard about the attention and the 10 preferential measures given to Jingdezhen's ceramics production by the provincial party committee and the provincial people's government, he was very delighted and eagerly inquired about the changes in ceramics production resulting from the implementation of preferential policies.

He encouraged the cadres and the masses of Jingdezhen to work creatively; promote the development of ceramics technologies; accelerate the building of ceramics bases; step up the ability of ceramic enterprises to develop through their own efforts; increase foreign exchange earning through exports; and strengthen the competitiveness of ceramics products, in order to speed up the development of Jingdezhen's ceramics industry so that new contributions can be made toward developing China's ceramics industry.

He affirmed the achievements made by Jingdezhen in ceramics production since the 3d Plenary Session of the 11th CPC Central Committee. During his inspection, Vice Premier Wan Li noted: Jiangxi has great potential and is very promising. He urged Jiangxi's cadres to implement the instructions of the central authorities and conduct their work creatively; strive to open up all fields of work; vigorously invigorate enterprises; further develop the commodity economy; and upgrade the development of Jiangxi's commodity economy. He also encouraged them to stress changes in thinking and concepts; inject commodity economy concepts into all kinds of economic work; pay attention to using commodity economy concepts in directing peasants to develop commodity production; and speed up the development of rural commodity economy.

YU QIULI, XING CHONGZHI AT DUAL-TRAINING MEETING

SK310403 Shijiazhuang HEBEI RIBAO in Chinese 19 Oct 86 p 1

[Excerpts] The Beijing Military Region held an on-the-spot meeting to exchange experiences in cultivating dual-purpose talented persons in Baoding from 12 to 18 October. The major tasks of this meeting were to study the important instructions for cultivating dual-purpose talented persons given by leading comrades of the party Central Committee and the Central Military Commission, to exchange experiences in cultivating dual-purpose talented persons gained by 13 units, including PLA Unit 51036, and to arrange the 1987 tasks for educating and training dual-purpose talented persons in a unified manner.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the General Political Department of the PLA; Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee and commander of the Beijing Military Region; and Yang Baibing, political commissar of the Beijing Military Region, made speeches at the meeting. Xing Chongzhi, secretary of the provincial party committee, attended the meeting, visited the base for cultivating talented persons, and watched the performance in order to report on the achievements in cultivating dual-purpose talented persons. [passage omitted]

In his speech, Comrade Yu Qiuli stressed the importance of the work in which the Army units and the localities cooperatively cultivate dual-purpose talented persons under the current situation. He said: Studying science and general knowledge and cultivating dual-purpose talented persons are strategic measures for strengthening the construction of the Army units in the new historical situation as well as a long-term task. He fully affirmed the practice of "cooperative cultivation by Army units and civilians, and cooperative management in the three fields." He said that this can be called a new experience. By so doing we cannot only arouse the enthusiasm of the localities, soldiers, and their parents, but also make the talented persons that have been cultivated suitable to the demands of the localities and bring into play their roles in the four modernizations.

In his speech, Comrade Qin Jiwei said that in order to regularly and systematically cultivate dual-purpose talented persons, we must upgrade our understanding of and strengthen our leadership over the work, and uphold the overall situation of the development of the country.

In his summing-up speech, Comrade Yang Baibing said that we must hear and learn the experiences of the units, including PLA Unit 51036. This meeting studied and solved some practical problems. He urged that the training of skills for civilian use be conscientiously brought into the orbit of educational training, that the activities of "cooperative cultivation by army units and civilians and cooperative management by the three fields" be vigorously launched, that efforts be made to upgrade the quality of the work of cultivating talented persons.

CENTRAL LEADERS ATTEND WEN HUI BAO FORUM

OW030409 Shanghai WEN HUI BAO in Chinese 28 Oct 86 p 1

[Excerpts] To implement the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, WEN HUI BAO, WEN HUI YUEKAN, ZHONGGUO DIANYING SHIBAO, and WEN HUI DUSHU ZHOUBAO held a forum for readers and writers at the Beijing Hotel this afternoon. Opinions were solicited at the forum on improving WEN HUI BAO and its affiliated publications in the course of building socialist spiritual civilization.

More than 200 people attended the forum. They were: Bo Yibo, vice chairman of the Central Advisory Commission of the CPC Central Committee; Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee; Wang Shoudao and Wu Xiuquan, Standing Committee members of the Central Advisory Commission; Qian Changzhao, vice chairman of the CPPCC National Committee; Wang Daming, permanent deputy director of the Propaganda Department of the CPC Central Committee; responsible comrades of the relevant central departments and Beijing Municipality; and noted figures from various circles.

Bo Yibo, vice chairman of the Central Advisory Commission, delivered a speech. He said: "I subscribe to WEN HUI BAO. I read it every day, and can perceive the many new and excellent contents. By reading your paper, I can see that the resolution adopted by the Sixth Plenary Session is generally endorsed by the people. My hope for the paper is to serve the four modernizations, seek truth from facts, promote material and spiritual civilizations, and implement the double-hundred policy." [passage omitted]

Chen Pixian, member of the Secretariat of the CPC Central Committee, said at the forum: "With its long history, WEN HUI BAO is an influential paper at home and abroad. It is important to solicit opinions from the readers and writers, and pay serious attention to social effects." The current imperative task is to properly carry out the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building Socialist Spiritual Civilization" and improve the running of WEN HUI BAO, he stressed. [passage omitted]

Shao Huaze, director of the Propaganda Department of the PLA General Political Department, said that WEN HUI BAO is well received among the many readers in the military. [paragraph continues]

He said: The publicity given by your paper to the advanced deeds of heroes in the self-defense war against Vietnam not only gives the localities a better understanding of the military, but is also of great encouragement to the soldiers. [passage omitted]

Ma Da, chief editor of WEN HUI BAO, presided over the forum. [passage omitted]

Attending the forum were officials of relevant central and Beijing municipal departments and noted figures of various circles Chen Minzhang, Zhu Muzhi, Ru Xin, Shi Ximin, Yuan Mu, Li Hong, Li Zhuang, Fan Rongkang, Fan Jingyi, Wang Chen, Man Yunlai, Lu Guang, Wang Ruoshui, Wu Xiang, Lin Zili, Yan Jiaqi, Sun Changjiang, Li Fu, Jia Chunfeng, Xue Dezhen, Zhang Xianyang, Lu Chuntian, Shen Baoxiang, Zhang Zonghou, Zhang Deqin, Liang Guangde, Zhong Dianfei, Luo Yijun, Xiao Mu, Su Yun, Hu Qimin, Wang Xiaotang, Chen Guangzhong, Zheng Dongtian, Qian Xuege, Feng Mu, Xu Juemin, Zhang Qie, Deng Youmei, Xie Yongwang, Meng Weizai, Li Guowen, Cong Weixi, Liu Xinwu, Mei Zhi, Wu Taichang, Chen Danchen, Yan Gang, Zhang Fengzhu, Zhou Ming, Chen Juntao, Xiao Desheng, and Ye Xiaogang.

SONG JIAN HEADS MARINE RESOURCES LEADING GROUP

OW031406 Beijing XINHUA in English 1336 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) — The State Council set up here today a special leading group to take charge of the country's study, development and protection of marine resources.

A spokesman for the group said its purpose is to protect China's legal maritime rights, and organize and coordinate various departments to speed up maritime development.

The 17-member group, which is headed by State Councillor Song Jian, will make policies and plan surveys, development and protection of marine resources.

Song Jian, who is also minister in charge of the State Science and Technology Commission and a leading space expert, urged all the members from 17 departments, including the State Economic and Planning Commissions, and the ministries of communications and agriculture, animal husbandry and fisheries to make joint efforts and do the job well.

It will also organize and coordinate various departments to formulate laws, regulations and management systems relating to marine resources.

The spokesman said the leading group will organize scientists in different fields to launch important researches while coordinating major cooperative projects and multilateral cooperative projects with foreign countries.

In the sector of fishing alone, the aquatic product output of the country totalled 4.197 million tons in 1985, and more is expected this year.

But China's ocean fishing industry is facing the problems of competition between fishing fleets of various regions and depletion of stocks.

Yan Hongmo, director general of the State Bureau of Oceanography, said at the meeting that after six-years of effort, China will have soon completed a nationwide survey of resources along the coast. The survey involves 15,000 people from more than 500 units.

Visits Patent Exhibition

OW031849 Beijing XINHUA Domestic Service in Chinese 1409 GMT 3 Nov 86

[Text] An external pacemaker developed by Guangzhou Zhongshan University has brought good news to cardiac patients. It is learned that a Hong Kong patient, who suffered from heart disease and had trouble climbing one story, can not climb seven stories with the use of this pacemaker.

The invention of this pacemaker is among the first items patented in China. Today this invention and 300 other patented technologies are on display in Beijing.

This evening, Song Jian, state councilor and minister in charge of the State Science and Technology Commission, and Lu Dong, minister in charge of the State Economic Commission, visited the exhibition. Many of these items have found applications in production.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK311106 Beijing RENMIN RIBAO in Chinese 30 Oct 86 p 8

[Table of Contents of HONGQI No 21, 1986]

[Text] Forum: "The Crux Is To Vigorously Grasp Implementation"

"Comrade Hu Yaobang's Memorial Speech at Memorial Meeting of Comrade Ye Jianying"

Article by Qu Wu: "Conforming to the Trend of the World, According With the Needs of the Masses -- Commemorating the 120th Anniversary of the Birth of Dr. Sun Yat-sen"

Article by Gao Zhangxiang: "Pondering Over the Strategy of Cultural Development"

Article by Du Runsheng: "The Question of Assigning Agriculture a Correct Position in the National Economy and Increasing the Peasants' Income"

Article by Wang Jiangong: "The Harnessing of the Loess Plateau in the Middle Reaches of Huang He as Viewed From Mountain Areas in Western Shanxi"

Article by Zhang Tiefu: "Improving the Peasants' Quality Is a Press Task of Rural Work"

Article by Yao Xueyin: "Practice in Creative Work and Theories for Creative Work -- Discussion With Comrade Liu Zaifu"

Article by Guo Zhibin: "Try To Become a 'Person To Be Proud of' and not a 'Pampered Child'"

Article by Gan Baolu: "Why do we Say That Socialist Spiritual Civilization Is an Important Characteristic of Socialist Society?"

Article by Zhao Guangwu: "Why do we Say That the Building of Socialist Spiritual Civilization Is a Matter of Great Importance Which Has a Bearing on the Rise and Decline of Socialism?"

Article by Zhang Bingyuan: "Why Must the Building of Spiritual Civilization Promote Reform and Opening up?"

Article by Hu Qingyu: "Why Must the Four Basic Principles Be Adhered to in Building Spiritual Civilization?"

Report by HONGQI reporter: "HONGQI Holds Meeting of Liaison Men To Discuss Comprehensive and Accurate Propaganda of the Resolution of the Sixth Plenary Session"

Article by Lei Ke: "Write Articles Related to 'Crises'"

Article by Liu Yahu: "A Song a Praise Expressing Deep Affecting -- Reading Reportage 'That She Is Recommended by so Many Students Is Most Valuable'"

Article by Yu Bing: "Reading With Delight a General Survey of Foshan -- Introducing 'a Trip to Foshan'"

ANHUI OFFICIALS PREDICT RECORD HARVEST

OWO10042 Beijing XINHUA in English 1525 GMT 31 Oct 86

[Text] Hefei, October 31 (XINHUA) -- Anhui Province in southeast China, which pioneered the rural reforms six years ago, is expected to reap 22.5 million tons of grain this year -- which will be a record, according to provincial officials.

Agricultural authorities predict that the province will be able to harvest 800,000 tons more than last year. They said that this will be in spite of difficulties caused by various kinds of natural disasters earlier this year.

Anhui has been hit by drought, flood, gales, hail and pests since spring.

Local authorities assisted peasants with funds, technology, and pesticides, and helped them expand the area for growing autumn crops by more than 130,000 hectares.

JIANGSU FANS DEMONSTRATE AFTER FOOTBALL MATCH

HKO40816 Hong Kong AFP in English 0805 GMT 4 Nov 86

[Text] Beijing, Nov 4 (AFP) -- More than 2,000 people took part in a noisy protest after a football match in the eastern Chinese city of Nanjing, disrupting traffic for more than two hours, a reliable source said here Tuesday [4 Nov].

The spontaneous mass protest followed a football match in early September between the number two national team and the provincial team of Jiangsu, of which Nanjing is the capital, the source said.

Disgruntled spectators spilled out of the stadium and marched to Xinjiekou in downtown Nanjing, singing the theme song from a popular television series which sides with the poor as they meet with injustice, the source said.

While the exact reason for the protest was not known, angry fans initially refused to leave the stadium at the end of the match, apparently waiting to throw bottles at the players when they left, the source said.

But when the players refused to come out, more than 2,000 singing protestors poured out onto nearby streets, jamming traffic in the downtown area for more than two hours, the source said.

In the TV series Ji Gong, the show's hero, a Buddhist monk, sings the theme song: "My hat is tattered, my shoes are full of holes, my clothes are shabby and you laugh at me. But wherever there is injustice, there you will find me."

Yan Jinglong, a spokesman for the Jiangsu Foreign Affairs Department, declined to answer questions about the report, saying he was under instructions from officials in Beijing not to give telephone interviews.

A spokesman for the Nanjing Police said they knew nothing about such an incident.

Numerous demonstrations have occurred in major Chinese cities since 1984, reflecting the growing disgruntlement of young people with unemployment and the rising cost of living, which are partly the spinoffs of economic reform, analysts said.

In July, the central city of Xian was reportedly rocked by another football riot in which several thousand spectators went on a rampage after a match, damaging taxis and tearing the clothes off several women.

The Chinese press described a riot in Beijing in May last year sparked by the defeat of the national team in a football match with Hong Kong as the most serious such incident to have occurred in China since 1949.

In the mayhem that followed that match, 25 cars, some belonging to foreigners, were damaged.

Of the several thousand angry fans who took part, 127 were arrested and five later jailed.

Several months later, thousands of students marched through the streets of Beijing, Xian and other cities to protest Japan's "economic invasion" of China, but also, diplomats said, to communicate to the authorities their discontent with their own lot.

In June, several thousand fishermen staged a protest outside the municipal government building in the northeastern city of Tianjin demanding wage increases.

Earlier in the year several hundred petitioners gathered outside the Chinese Communist Party headquarters in the capital to press demands for the redress of various grievances.

They held up a banner that read: "Deng Xiaoping, save us." Mr Deng is the Chinese leader.

Most of an estimated 20 million unemployed in China are young people, Western experts say.

Official Chinese statistics show three million people "waiting for work," the expression used for unemployment.

JIANGSU OPENS TOWNS TO FOREIGN INVESTMENT

OWO20235 Beijing XINHUA in English 0211 GMT 2 Nov 86

[Text] Nanjing, November 2 (XINHUA) -- East China's Jiangsu Province opened 40 towns in its economically developed southern region to foreign investment recently, a provincial official said here today.

These brought the total of key industrial satellites in the Suzhou-Wuxi-Changzhou economic area to 69.

Enjoying status equivalent to towns where county and city authorities are seated, the satellites will arrange their production according to the need of exports.

Before 1990, the towns will import key equipment and instruments which China cannot produce, or are in short supply, to upgrade existing enterprises. They will enjoy preferential treatment in tariffs and other taxes.

JIANGXI LEADERS ATTEND EAST CHINA ECONOMIC MEETING

OW040931 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Nov 86

[Excerpts] Yesterday evening Governor Wu Guanzheng and Vice Governor Jiang Zhuping were briefed at the Xiangshan Guesthouse in Nanchang on the third east China meeting on economic structural reform by city and prefectural delegates to the meeting. Comrade Wu Guanzheng affirmed that the general situation in economic reform in Jiangxi was good, but also made some suggestions on how to further boost the province's economic structural reform.

Comrade Wu Guanzheng stressed: Party committees and governments at all levels must regard reform as an important part of their work. Reform should be put under the charge of special organs, qualified cadres, and principal leaders. [passage omitted] He said: The relevant departments of the provincial government should take appropriate steps to transfer more decisionmaking powers to city and prefectural enterprises. Attention should be paid to exercising the transferred decisionmaking powers. [passage omitted]

Wu Guanzheng pointed out: Expanding lateral economic ties is of strategic importance to economic structural reform. Therefore, vigorous efforts must be made to promote lateral economic cooperation, develop enterprises that produce high-quality brand-name products, encourage joint development and use of both surface and underground natural resources, and expand both urban and rural markets.

Wu Guanzheng particularly emphasized the following: The task of economic structural reform next year should concentrate on increasing the vitality of enterprises and enlivening the rural economy. Achieving prosperity in the countryside is as important as increasing enterprise vitality. Plans should be drawn up to open markets of the means of production to the public. Nanchang and Jiujiang should learn from Shijiazhuang's experience in relaxing controls over markets for steel products. Enterprises should experiment with the joint-stock system. Plans should be made to set up capital markets. The most effective way to improve the market system is to open more consumer goods markets. He urged the leadership at all levels to select typical examples in the course of economic structural reform and to use them to inspire and educate the people of Jiangxi. The press should vigorously publicize the importance of reform so as to win public support for reform.

SHANDONG COUNTY, TOWNSHIP TO ELECT PEOPLE'S CONGRESS

SK040515 Jinan Shandong Provincial Service in Mandarin 2300 GMT 3 Nov 86

[Text] Station reporter (Gao Xuezhou) has learned from the provincial electoral work conference which ended on 3 November that the 3-year term of the county- and township-level People's Congresses will expire in 1987 and that elections for the change of terms will be comprehensively conducted in the coming winter and spring.

The provincial People's Congress Standing Committee held a provincial electoral work conference in Jinan from 31 October to 3 November, and set forth suggestions on changing the terms of and electing county- and township-level People's Congress.

The county- and township-level People's Congress should link term-shift work and electoral work with rural party rectification work. Before the Spring Festival, the county- and township-level People's Congresses should conduct propaganda and mobilization, define electoral districts, conduct voter registration, and decide key cadres in charge of electoral work. After the Spring Festival, they should first nominate candidates for deputies through discussions, and then elect people's deputies. New People's Congresses should hold their first meetings by the end of next April or no later than the end of June.

The conference stressed that newly elected people's deputies must have certain abilities in conducting social activities and discussing politics, and must do their duties according to the law. With regard to the structure of deputies, we should stress not only the deputies' ability in discussing politics but also their [words indistinct].

The provincial People's Congress Standing Committee pointed out that term-shift and electoral work is political work that should be carried out earnestly and carefully. Thus, it must be carried out democratically and in strict accordance with the law.

SHANDONG SECRETARY VIEWS REUNIFICATION ART EXHIBIT

SK311157 Jinan DAZHONG RIBAO in Chinese 20 Oct 86 p 1

[Text] On the afternoon of 18 October, Liang Buting, secretary of the provincial party committee and He Guoqiang, Standing Committee member of the provincial party committee and deputy secretary of the Jinan City party committee, viewed an exhibition sponsored by the Jinan City party committee concerning calligraphy and painting works with contents related to motherland reunification. During his visit, Comrade Liang Buting highly evaluated the exhibition and contended that, through the artistic forms of calligraphy and painting, compatriots in both Taiwan and the mainland may convey their desire to reunify the motherland and that this is a good form.

ZHEJIANG'S WANG FANG ON TEAM, GROUP BUILDING

OW020857 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 30 Oct 86

[Text] At this afternoon's meeting jointly sponsored by the provincial Trade Union Council and provincial Planning and Economic Commission to exchange experiences in team and group work, a ceremony was held to commend and issue prizes to advance teams and groups. Some 216 teams and groups from various fronts of the province received prizes.

Wang Fang, secretary of the provincial party committee, attended and spoke at the meeting. He pointed out that teams and groups are basic professional units of enterprises as well as forward posts for training professional staff and worker contingents and building socialist spiritual civilization. In the current new situation of reform, strengthening team and group building is a task of great urgency. He called on departments concerned to effectively strengthen leadership and make the task a success. The provincial meeting to exchange experience in team and group work began on 29 October.

GUANGDONG INITIATES FARMLAND USE CHARGES

HK050449 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 2 Nov 86

[Text] To strictly control the use of cultivated land for nonagricultural purposes in order to open up more wasteland and barren hills as quickly as possible and to keep the area under cultivation relatively stable, the provincial government has decided to impose charges on units and individuals using farmland for nonagricultural purposes as a land reclamation fund.

On 11 October the provincial government issued rules and regulations for collecting such charges. According to these rules and regulations, collective units owned by the whole people and individuals who use farmland for nonagricultural purposes within the administrative region of Guangdong Province, including peasants who use cultivated land for building houses, should first get approval from the departments concerned and should pay a certain amount of money toward a land reclamation fund. However, key state construction projects as well as Chinese-foreign joint ventures, cooperative enterprises, and enterprises run exclusively with foreign investment, which are offered preferential treatment by the government for their investment, need not pay such charges for using cultivated land, after they have been examined by the provincial State Land Department and approved by the provincial government.

GUANGZHOU MEASURES ENCOURAGE FOREIGN INVESTMENT

OW041402 Beijing XINHUA in English 1307 GMT 4 Nov 86

[Text] Guangzhou, November, 4 (XINHUA) -- Enterprises with foreign investment in Guangzhou, capital of South China's Guangdong Province, shall be exempt from site use fees during their capital construction, according to Mayor Zhu Senlin.

Zhu said the maximum site use fee for Guangzhou's export enterprises and technologically advanced enterprises with foreign investment shall be 2.5 yuan per square meter per year, except for those located in busy urban sectors of the city.

Zhu said that under the new measures, a supplement to the Chinese Government's provisions to encourage foreign investment published October 11, if foreign investors buy the city's products for export with their profits in foreign exchange, these products shall be exempt from consolidated industrial and commercial tax.

The new measures also include exemption of bonus tax for enterprises with foreign investment, according to the mayor.

Sino-foreign joint ventures can issue stocks and bonds in the country, with approval.

Zhu designated 23 of Guangzhou's Chinese-foreign equity joint ventures and Chinese-foreign cooperative ventures as the city's first group of export enterprises and technologically advanced enterprises with foreign investment, as defined in the State Council's provisions.

Zhu said that Guangzhou has established 302 enterprises with foreign investment since 1979 and preparations are under way for another 289 such enterprises.

According to a survey of 175 such established enterprises, a total profit of 100 million yuan had been earned from these enterprises by the end of 1985, but 12 percent of the enterprises are in debt, Zhu added.

GUANGXI PRODUCTION FIGURES SHOW GOOD SITUATION

HK050445 Nanning Guangxi Regional Service in Mandarin 1100 GMT 1 Nov 86

[Excerpt] This year's industrial and agricultural production situation in our region by the large is good. This was stated by (Xie Kexue), vice chairman of the regional Planning Committee, at this morning's session of the 23d meeting of the 6th regional People's Congress Standing Committee.

On behalf of the regional people's government, he delivered a report on the current situation in our region's industrial and agricultural production at the session. Speaking on agricultural production, (Xie Kexue) said: Despite repeated natural disasters of storms, droughts, floods and insect pests, progress has still been made. It is estimated that this year's gross output value in agriculture will increase by 2.8 percent over last year. But this figure is still lower than the national growth rate of 4 percent. (Xie Kexue) said: With regard to industrial production, the total regional output value between January and September increased by 6.05 percent over the corresponding period of last year, almost equal to the national growth rate of 6.4 percent. Economic results in essence are good. The output value of state-run enterprises between January and August increased by 5.2 percent over the corresponding period of last year, marketing income by 10.9 percent, profit by 5.5 percent, and taxes delivered by 19 percent. All these figures are higher than the national growth rate during the corresponding period of time.

At this morning's plenary session of the 23d meeting of the 6th regional People's Congress Standing Committee, on behalf of the regional people's government, Liu Mingshan, deputy director of the regional Finance Bureau, delivered a report on implementing the regional budget from January to September 1986. He said: Achievements have been made this year in implementing the regional budget. Regional revenues from January to September reached 76.8 percent of the budgeted figure, an increase of 11.1 percent over the corresponding period of last year. [passage omitted]

HUBEI LEADERS INAUGURATE MARTYR'S CEMETERY

HK050415 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 Nov 86

[Excerpts] Today the provincial party committee and the provincial government held a solemn ceremony in (Xinguo) Town, Yangxin County, to inaugurate a cemetery for southeast Hubei revolutionary martyrs, at the juncture of the Hunan-Hubei-Jiangxi border. [passage omitted]

Seated on the rostrum at today's inauguration ceremony were: Wang Ping, member of the Central Advisory Commission Standing Committee; responsible comrades of the provincial party, government and military including Guan Guangfu, Guo Zhenqian, Huang Zhizhen, Shi Chuan, Lin Shaonan, Wang Ruisheng, (Wang Sen) and Zhang Xueqi; and representatives of veteran Red Army soldiers and cadres from Hunan and Jiangxi who worked and struggled in southeast Hubei during various historical revolutionary periods.

Guo Zhenqian, deputy secretary of the provincial party committee and governor, presided over the ceremony. Guan Guangfu, secretary of the provincial party committee, made a speech at the ceremony.

He said: During various historical revolutionary periods since 1927 when the party held its 7 August meeting until the birth of New China, the people living at the juncture of the Hunan-Hubei-Jiangxi border, under the leadership of the CPC, had made massive sacrifices for the sake of winning China's revolution. They made contributions and performed meritorious deeds which will never be obliterated, and performed many heroic and moving deeds during these times. Today, when commemorating the revolutionary martyrs, we must seriously study the spirit of the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee. We should cultivate socialist citizens who possess ideals and ethics, are well-educated, and observe discipline. In order to do so and to improve the ideological and ethical standards, as well as the scientific and cultural standards of the Chinese nation as a whole, we should carry forward the ideals of the martyrs and their glorious tradition. We should also work hard and make progress in an innovative way. We should strive to make greater contributions in building the two civilizations.

The following also spoke at the ceremony: Wang Ping; Yang Chen, vice minister of civil affairs; Xu Shaolin, representative of Jiangxi Province; Huang Daoqi, representative of Hunan Province; (Wang Yijun), representative of veteran Red Army soldiers and cadres who struggled and worked in southeast Hubei; and (Chen Yun), representative of the martyrs' families. Huang Huoqing, member of the Central Advisory Commission Standing Committee, sent a congratulatory telegram to the ceremony. Wang Ping; Huang Zhizhen, chairman of the provincial People's Congress Standing Committee; Xu Shaolin, advisor to Jiangxi provincial people's government; and Huang Daoqi, vice chairman of the Hunan provincial People's Congress Standing Committee, cut the ribbon at the ceremony. They also laid wreaths at the martyrs' monument. The wreaths were presented by Wang Ping and Huang Huoqing; Cheng Zihua and He Changgong, vice chairmen of the CPPCC; Hubei provincial party committee and government; Jiangxi provincial party committee and government; Hunan provincial party committee and government; Ministry of Civil Affairs; Xianning prefectural party committee and Commissioner's Office; Yangxin County party committee and government; Pu Anxiu, wife of Peng Dehuai; representatives of veteran Red Army soldiers and cadres; and representatives of the martyrs, families. [passage omitted]

SMUGGLERS OF CULTURAL RELICS PUNISHED IN HUNAN

Government Employees Sentenced

OW030920 Beijing XINHUA in English 0900 GMT 3 Nov 86

[Text] Beijing, November 3 (XINHUA) -- Five government employees in central China's Hunan Province were sentenced to imprisonment for smuggling cultural relics to Hong Kong.

Zhao Xinghua, former manager of the Hunan provincial branch of the China National Arts Export and Import Corporation, and Xu Huaishan, former deputy manager, were charged by representatives of the enterprise implicated in the case.

This case was one of the few crimes involving enterprises charged as defendants handled by Chinese courts in recent years.

Zhao and Xu, together with three others, illegally purchased more than 120,000 cultural relics across the province from 1978 to October of 1983. In three years, ending January 1983, the branch signed 12 contracts to sell the items to a Hong Kong relics firm, resulting in 21,771 items valued at more than 372,000 yuan (100,000 U.S. dollars) smuggled out of the mainland.

Customs officials stopped 8,728 pieces which were intended to fulfill the 12th contract. More than 1,000 pieces in the lot were restricted from export under the country's law on the protection of antiques.

Experts from the Relics Bureau said twenty-six of the items are considered "rare." They also said one is a porcelain spittoon inscribed with the saying "never forget national humiliation." The spittoon, the only one of its kind in the country, reflects the Chinese people's struggle against Yuan Shikai, a warlord in the late 19th century.

The 370,000 yuan (100,000 U.S. dollars) earned from the contraband itself and the 156,000 yuan (42,200 U.S. dollars) profit from its sale at domestic markets was confiscated by customs, taxation and industrial and commercial administration departments. In addition, the branch was fined 740,000 yuan (200,000 U.S. dollars).

The manager of the Hong Kong firm implicated in the case confessed of this crime and his bribery of the Chinese offenders. He was fined one million Hong Kong dollars (128,200 U.S. dollars).

Dismissed Case Reinvestigated

HK040535 Changsha Hunan Provincial Service in Mandarin 0100 GMT 1 Nov 86

[Text] According to HUNAN RIBAO, under the supervision of the provincial People's Congress and the provincial People's Procuratorate, the Changde County People's Procuratorate recently corrected a wrong decision not to prosecute (Liao Xianfu), who destroyed cultural relics, and is now investigating (Liao)'s responsibility.

On 6 April last year, the Changde prefectural cultural relics team found a group of ancient tombs at a site in (Zhangshushan) under the (Jizhu) Brickyard, (Guanxi) Township, Changde County. Specialists from the relevant provincial and prefectural departments believed that the tombs belonged to the early Western Han Dynasty of the Warring States Period. To protect the cultural relics and prevent them from damage, a deputy head of Changde County held a meeting in (Guanxi) Township to arrange the work of excavating and protecting the tombs. After the meeting, the county Public Security Bureau and Culture Bureau erected 43 red flags in the central part of the tombs, each carrying the words: Ancient Tombs -- Digging Prohibited. They also posted laws on protecting cultural relics inside the (Jizhu) Brickyard and gave much publicity to protection of cultural relics.

In early May the brickyard lacked soil for production. (Liao Xianfu), deputy director of the Enterprises Management Office of (Guanxi) Township, brazenly destroyed the ancient tomb site and instructed (Wang Jianying), deputy manager of the brickyard, and (Pi Yougui), a brickyard workshop director, to use a bulldozer to dig earth on the site, thus causing serious damages to the state's cultural relics.

After investigation, the Changde Public Security Bureau believed that (Liao Xianfu) had done constituted a crime of deliberately destroying cultural relics and instructed the procuratorate to prosecute him according to the law. On 15 January this year, the Changde County People's Protectorate decided not to prosecute (Lian Xianfu) on the grounds that the responsibility should be borne by several persons and the criminal case was not serious. This evoked a strong reaction from all parties.

(Wang Yuehua), member of the provincial People's Congress Standing Committee and executive member of the Education, Science, Culture, and Public Health Committee under the provincial People's Congress, and other comrades, discovered this problem when inspecting Changde at the end of June. After returning to Changsha, they twice told the provincial People's Procuratorate that it was inappropriate not to prosecute (Liao Xianfu). Criminals must be severely punished according to the law on protecting cultural relics. The provincial People's Procuratorate immediately investigated and handled the case. After investigation, it held that (Liao Xianfu) deliberately destroyed the state's cultural relics and that this was a serious case. (Liao) should not be exempted from prosecution. It is necessary to investigate and affix his responsibility in the criminal case. It is indeed inappropriate for the Changde County procuratorate not to prosecute (Liao Xianfu), and this wrong decision must be corrected.

On 7 October, the Changde County People's Procuratorate overrode the decision not to prosecute (Liao Xianfu) and prosecuted him according to Article 174 of the Criminal Law. The case is now being tried and handled by the court.

HUNAN PRAISED FOR RURAL PUBLIC HEALTH REFORM

HK050427 Changsha Hunan Provincial Service in Mandarin 0100 GMT 1 Nov 86

[Excerpts] According to HUNAN RIBAO, an investigation team for reforming rural public health, headed by Comrade He Jiesheng, vice minister of public health, came to Hunan on 20 October to conduct an investigation.

On the afternoon of 31 October, the team briefed Mao Zhiyong and other leading provincial party committee and government comrades on the investigation. They pointed out that the reform of rural public health in Hunan has set a good example for the whole country. The team comrades were particularly impressed by the following three points: 1) Party and government leaders at all levels in Hunan have attached importance to rural public health reform. They are very concerned about public health work and put it in a proper position. 2) After conducting in-depth investigation, party and government leaders at all levels have made policy decisions on rural public health reform which correspond with reality. 3) Party, government, and other departments at all levels in the province have taken practical steps toward public health. [passage omitted]

After hearing the report, Mao Zhiyong and other leading comrades pointed out that the provincial party committee and government are determined to take further measures and do solid work in the next few years so as to improve the province's rural public health during the Seventh 5-Year Plan.

BRIEFS

HUNAN SMALL TOWNS -- The number of towns under the jurisdiction of a county government in Hunan Province has increased from 162 in 1980 to 542 now, and 6 of these towns have developed into cities. The population of the small towns throughout the province is 8.19 million and accounts for one-seventh of the total population of the province. The number of industrial and commercial enterprises of the small towns increased from 129,000 in 1980 to 415,000 in 1985, and their industrial output value increased from 6.4 billion yuan to 13.4 billion yuan. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 11 Oct 86 HK]

TIANJIN OFFICIAL WRITES ARTICLE ON JOINT VENTURES

SK050507 Tianjin TIANJIN RIBAO in Chinese 13 Oct 86 p 2

[Article by Li Lanqing, vice mayor of Tianjin Municipality: "Accelerate the Use of Foreign Capital and Strive To Build More and Better Chinese-Foreign Joint Ventures"]

[Excerpts] Since 1979 when the state promulgated its first "law on Chinese-foreign joint ventures," the Tianjin municipal party committee and government have actively and conscientiously implemented the central policy of opening to the outside world and establishing Chinese-foreign joint ventures. Some 6 years have elapsed. Since 1980 when Tianjin's first Chinese-foreign joint venture -- the Tianjin Coast Shrimp Farm -- was established, 184 Chinese-foreign joint ventures and cooperative enterprises have been established, of which 60 percent are projects related to industrial and agricultural production. The past 6-year course can be divided, in general, into two stages. The first was a stage for experimentation which ran from 1979 to 1983. The second was a stage for development which began in 1983.

It is an important change in the strategy for China's economic development to go from a closed-door policy to opening our country to the outside world. All our ideological understanding, knowledge, experiences, investment climate, laws and regulations, systems, and policies underwent a process of adaptation and improvement. Foreign businessmen who came to invest in Tianjin also underwent a process of understanding, observation, and probation. Therefore, in the first stage, Tianjin established only the Tianjin Coast Shrimp Farm, the Chinese-French Grape Wine Limited Corporation, the China Tianjin Jinhua Knitwear Limited Corporation, the Tianjin Otsuka Pharmaceutical Limited Corporation, and two other small and medium Chinese-foreign joint ventures. Thanks to the concerted efforts of relevant Chinese and foreign investors and the coordination and support of various quarters, the first group of joint ventures proved to be fairly successful. Because these joint ventures imported advanced technology and created fairly high production efficiency, their products were of high quality, competitive, and well received in domestic and foreign markets, thus creating satisfactory benefits for both Chinese and foreign sides of the joint ventures. Successes during the experimental stage were not confined to the joint ventures alone. The experiment enabled the people to better understand the important significance of the central policies on opening to the outside world and establishing Chinese-foreign joint ventures, and to further unify their understanding. At the same time, we accumulated experiences through practice, increased our knowledge, improved the laws and regulations concerning foreign nationals, trained personnel, and created favorable conditions for further development.

Since the second half of 1983, Chinese-foreign joint ventures in Tianjin have entered a stage of development. To date, 77 of the 184 Chinese-foreign joint ventures on which agreements were signed have opened business or gone into operation. The economic and technological development zone established near the harbor has expanded even more rapidly. In less than 2 years since November 1984 when preparations for establishing the zone started, infrastructure facilities such as water supply and drainage pipes and roads covering nearly 3 square km have been generally completed; 44 contracts on Chinese-foreign joint ventures and cooperative enterprises and 22 contracts on enterprises built in cooperation with domestic units have been signed with foreign firms; construction of 38 enterprises has started; and 8 production enterprises have gone into operation. By the end of this year 20 more production enterprises are expected to begin operation. [passage omitted]

As has been proven in practice, establishing Chinese-foreign joint ventures is conducive both to accelerating China's four modernizations and to foreign firms who come to invest. [paragraph continues]

It is an undertaking of mutual benefit. In particular, central leaders said during a recent inspection tour in Tianjin that Tianjin should be built into an open, export-oriented economic center emphasizing light industry and the processing industry. To realize this strategic goal, we should accelerate the use of foreign capital, establish more and better Chinese-foreign joint ventures, and strive to carry out our work successfully in line with the following principles.

1. We should exert greater efforts to successfully run the existing Chinese-foreign joint ventures. When foreign traders run enterprises with their capital in our country, they have some doubts and misgivings because of the short period of our country's opening to the outside world, the imperfection of pertinent regulations and provisions, the shortage of basic facilities for opening to the outside world, and the different social systems. To clear their minds of doubts and misgivings and to make them feel relieved while making investments in our country, it is very important to strengthen cooperation with those foreign traders who have already invested in running plants in our country and who have successfully run the existing Chinese-foreign joint ventures, in addition to vigorously improving pertinent regulations and provisions and constantly improving the investment environment. Pertinent departments of our municipality, particularly units in charge of Chinese-foreign joint ventures, should support and run well joint ventures in various fields, respect the decisionmaking power of the directorates of joint ventures, support the autonomy of managers of both Chinese and foreign sides of joint ventures in exercising operations, help them solve their problems in production and management, educate workers and staff members of joint ventures to observe rules and regulations of their enterprises and improve their professional and technical expertise, and encourage both Chinese and foreign traders to seek cooperation in a bid to successfully run joint ventures and yield satisfactory results. Directorate chairmen and managers of the Chinese side of joint ventures should cooperate with the foreign side to run joint ventures well, not merely for the Chinese side, and should handle affairs in line with pertinent regulations, stipulations, and contracts. In short, running well the existing Chinese-foreign joint ventures is the best way to propagate our country's open policy, as well as an attraction with the most practical force. Success or failure in this work is also a criterion for judging our attitude on the open policy. Therefore, by no means should we neglect this work.

2. While initiating Chinese-foreign joint ventures, we should treat industry, advanced technologies, and exports as dominant factors. Because it is an urgent need to build some necessary service facilities, and we lack experience in this regard, it is necessary to cooperate with foreign traders to build some international-class hotels, restaurants, bars, golf courses, and taxi companies at the initial stage. However, this is not our major and direct purpose in running the Chinese-foreign joint ventures, and, comparatively speaking, the management and technology for running those service-oriented joint ventures are not so complicated as those for running most industrial items. Therefore, it should not be vigorously expanded in the future. If it is necessary to continually build such service-oriented facilities, they should be built mainly by our own efforts. So long as we make good use of managerial methods and the experiences of pertinent joint ventures for reference, I believe that we can also run such enterprises well. As an important comprehensive industrial base for our country, Tianjin is relatively rich in natural resources. For instance, there are deposits of inland and coastal petroleum, salt, natural gas, coal, subterranean heat, violet sand [4793 4263 0960], wheatball stone, and other non-metal minerals. There is also a modern port, mainly importing and exporting sundry goods, which is one of the largest container wharfs of China. Tianjin has 29 institutions of higher learning, 149 scientific research institutes, 70 engineering design institutes, a 130,000-person scientific and technological contingent, and relatively extensive foreign trade channels and various kinds of foreign trade facilities. [paragraph continues]

Although Tianjin is relatively backward in the field of industrial technology when compared with the advanced international level, it still has a considerably developed foundation. Therefore, while running Chinese-foreign joint ventures, we should make full use of Tianjin's superiority, take industry as the key link, and pay attention to importing advanced technologies rather than backward technologies, which will not only waste our money, but also burden us. Though such cases are few, it should be taken as a lesson. Something else is that when establishing Chinese-foreign joint ventures, we should focus on export-oriented projects. Generally speaking, there are three purposes for foreign capital use. One is to absorb funds from abroad, another is to import advanced foreign technology and managerial experiences, and the third is to expand exports. The former two purposes can also be achieved through foreign loans, purchases of specialized foreign technologies and licenses, and importing foreign expertise in addition to establishing Chinese-foreign joint ventures. However, establishing a Chinese-foreign joint venture can achieve all three purposes simultaneously and, in particular, can enable us to master the channels, information, experiences and knowledge related to the world market more rapidly. At present we should pay attention to launching more Chinese-foreign light industrial and processing joint ventures which produce goods in fairly great demand on the world market, which our municipality is more capable of establishing, and which can yield quicker returns. For example, we can establish small and medium joint ventures to produce garments, fabrics, shoes, foods, bicycles and their spare parts, watches, kitchen utensils, sporting goods, vehicle spare parts, metal products, and toys. Generally speaking, when joint ventures can sell their products on the world market, their technology must advance and they must have a competitive edge in the world market. At the beginning, some foreign firms could not accept our requirement for exporting goods produced by joint ventures in order to balance foreign exchange. Later, through practice, they gradually came to understand that exporting goods of joint ventures did not harm their interests or curtail their original markets. Instead, it helped enlarge their shares of the world market. Through their investment, they can obtain products of high quality and low cost and earn satisfactory profits, while acquiring additional profits from exporting the products. For this reason, more and more foreign firms have become willing to accept the principle of exporting their products and balancing foreign exchange. Practically all Chinese-foreign joint ventures established in our municipality after approval were established in line with this principle. Judging by the situation of Tianjin's Chinese-foreign joint ventures which have already opened business or gone into operation, industrial production joint ventures in particular, they can basically balance foreign exchange. Some of them can even produce a surplus, thus increasing foreign exchange earnings. Based on our needs, we will also establish some Chinese-foreign joint ventures which produce substitutes for imports, or products for indirect export in order to replace imported goods with those produced by the joint ventures in the country. Meanwhile, we will allow joint ventures whose products are in great demand on the domestic market and which are capable of balancing foreign exchange to sell some of their products on the domestic market.

3. The foundation for establishing Chinese-foreign joint ventures is "equality and mutual benefit," and we should adhere to this principle from the beginning through to the end. This principle is easier said than done. A few years ago, as far as our side is concerned, there were indeed some cases of our being defrauded due to our lack of knowledge and experience. However, in more cases, due to a fear of being defrauded, some of our comrades gave undue consideration to their own interests to the neglect of those of their counterparts. In other words, they were too "stingy" when doing the accounts, and therefore caused some projects which could have benefited both parties to fall through. [paragraph continues]

A few comrades even considered Chinese-foreign joint ventures "a chunk of fat meat," always trying to take one more mouthful. This was very wrong and made those who were willing to come to invest feel afraid to come, and those who had already come withdraw out of fear. Therefore, over the entire course of establishing Chinese-foreign joint ventures, from holding discussions and conducting feasibility studies to construction and operations, we should always adhere to the principle of "equality and mutual benefit." This is the ideological foundation which decides whether we can establish more and better Chinese-foreign joint ventures or not.

4. When establishing Chinese-foreign joint ventures, we should strive to overcome bureaucracy and raise efficiency in administrative and service work. All foreign friends who come to invest in plants and do business consider market and commercial opportunities. To seize the opportunities, they need accurate information and rapid acts which condition each other. That is, only when they have accurate information can they have firm determination and rapid acts, and conversely, only when they have rapid acts and take a little time can their information be more accurate. Therefore, experienced foreign firms lay great stress on work efficiency. For this reason, when we cooperate with foreign firms and establish Chinese-foreign joint ventures, we should adapt ourselves to the "quick tempo." We have always paid attention to this issue and tried to resolve it over the past few years. This is one of the important reasons why our joint ventures have developed fairly rapidly. We should also note, however, many of our systems and work styles fail to meet needs. People who understand the situation do not have a say, and those who have the power of final say, more often than not, do not understand the entire situation, are hesitant, and have difficulty making a decision. Some departments are implicated with one another, and all have "veto power." Their work cannot be carried out smoothly once any of them gives the "red light." Sometimes, they are dilatory in doing work, treating their procrastination as being "accurate," "meticulous," and "stable." Therefore, reform and opening to the outside world also condition and promote each other. Only by striving to reform the administrative system can we speed up our pace of opening to the outside world. Some foreign firms say that their investment will come to where there is greater decisionmaking power and high work efficiency. This is reasonable. Our previous regular joint meetings participated in by various relevant departments and designed to help Chinese-foreign joint ventures solve some difficulties and problems have yielded fairly good results. At present we are actively preparing to establish an "administration and service center related to foreign nationals" in order for foreign firms which plan to invest in Tianjin and the already established joint ventures to go through various administrative procedures there, and to basically satisfy their needs for various consultation services without going to other offices. A success in the work of the center will no doubt greatly expand Tianjin's foreign capital use and develop Chinese-foreign joint ventures. Most important, of course, is still to expedite the reform of our administrative structure.

5. We should further improve the investment climate for the establishment of Chinese-foreign joint ventures. Tianjin has done a great deal of work in this connection over the past few years. For example, it completed the project to divert Luan He water to Tianjin to solve its problems in water supply for urban residents and industrial plants; completed the central ring road to greatly improve urban traffic; carried out the urban gas supply project; checked urban pollution to improve urban sanitation; constructed a large amount of residential houses to improve housing conditions and beautify the city; reformed the harbor administrative system and updated large amounts of equipment to greatly raise efficiency in cargo loading, unloading, and transportation; renovated and built several telecommunications facilities, hotels, department stores, restaurants and bars to advanced world standards; and formulated several laws and regulations concerning foreign nationals. In addition, our wages and land are less expensive. All these are important conditions for the fairly rapid development of Tianjin's Chinese-foreign joint ventures over the past few years. However, we should note that our investment climate is still not perfect. [paragraph continues]

We should first concentrate forces on accelerating the construction of energy projects. We should try every means possible to begin construction of the Beijing-Tianjin-Tangshan expressway earlier and to improve the transportation facilities between urban districts and harbors. We should further perfect local laws and regulations related to foreigners to reduce interference created by the people and to enable both Chinese and foreigners to handle affairs according to laws and regulations. We should further implement the central authorities' preferential policies and measures for bringing in more foreign capital. Special preferential treatment should be given to the export-oriented or technologically advanced Sino-foreign joint ventures. Blind increases in wages for staff members and workers of Sino-foreign joint ventures, and inappropriate competition for wage hikes should be brought under strict control. The standards for collecting land use fees should strictly be controlled lest the country lose its advantages for absorbing foreign capital. We should further improve facilities for foreigners, particularly foreign residents, such as improving their living environments, service and recreation centers, and the educational facilities for their children. We should further improve communications, international and domestic aviation, and tourist areas. We should make efforts to allow foreign businessmen who make investments in Tianjin a sense of safety, a sense of enjoying preferential treatment, and peace of mind.

6. We should accelerate the pace of cultivating talented people to run Sino-foreign joint ventures. Whether our country's cause of opening to the outside world can develop smoothly hinges on if we can keep pace with the demand of cultivating talented people. Due to the fact that our country closed itself for many years, we lack a large number of skilled persons to guide and engage in work in the international economic, banking, law, financial, accounting, management, marketing, and construction fields. We could not but adopt emergency measures to accelerate the cultivation of talented people in 1984. Among more than 1,600 in-service cadres with a university-level education who responded to the public call of the municipal party committee and government on further study, through examinations, the municipal party committee and government selected and sent 200 cadres to Nankai University and the Tianjin Finance and Economics Institution to study advanced courses related to professional information on cooperation with foreign countries. At present, most of them have become key managers in charge of the municipality's external affairs and key technicians of Sino-foreign joint ventures. However, a lack of talented people is still a serious problem in our municipality. Leading comrades of some departments and enterprises fail to thoroughly understand the central authorities' policy of opening the country to the outside world and have neither sufficient knowledge nor experience in this regard. This is a factor that directly affects the better implementation of the policy of opening the country to the outside world. The managers and staff members of the Chinese side in some Sino-foreign joint ventures have directly affected the ventures' management due to their poor professional ability. Accelerating the cultivation of talented people in this regard is a task of urgent importance. Universities, colleges, and specialized secondary schools should adopt various measures to cultivate higher and middle-grade specialized personnel. Specialized personnel with certain educational levels should be selected to enter short and medium-term training courses on specialized information. Simultaneously, we should open classes on specialized information to train, in groups and by stages, leading cadres of relevant departments, work personnel in charge of external affairs, and managers and key staff members of the Chinese side in the Sino-foreign joint ventures. If we do not successfully solve this problem, a lack of talented personnel will become a key factor that affects the smooth progress of the cause of opening the country to the outside world.

So far, Tianjin has made a good start in running Sino-foreign joint ventures. Our municipality's economic and technological developments zone is flourishing. [paragraph continues]

Only when we further conscientiously master and implement the central authorities' principles and policies for opening to the outside world and conducting reform, and so long as we conscientiously do our work, it is certain that more and more foreign traders will come to Tianjin to make investment, that more and more Sino-foreign joint ventures will be established and developed in Tianjin, and that the grand cause of building Tianjin into an open, export-oriented, and light and processing industrial economic center will be realized at an early date.

URBAN CREDIT COOPERATIVES TO APPEAR IN TIANJIN

SK040430 Tianjin City Service in Mandarin 2330 GMT 14 Oct 86

[Text] Urban credit cooperatives, a kind of developing banking organ which will end the situation in which state banks have been monopolizing the banking operation for more than 30 years, will soon appear in Tianjin Municipality.

In recent years, with the development of the diversified economy, banking services have become more and more necessary to collective and individual economic units. However, under the present situation in which state banks monopolize the banking business, it is impossible for the state banks to attend to all the collective and individual industrial and commercial enterprises. Urban credit cooperatives are mass cooperative banking organizations. They depend on the total amount of shares and deposits they absorb to operate their business independently. They are financially independent and responsible for their own profits and losses. They will be managed democratically.

The emergence of these organs will provide conveniences for the collective enterprises and individual industrial and commercial households in opening accounts, calculating accounts, and taking loans, and for promoting the development and production of the collective and individual economic units.

TIANJIN POWER TRANSMISSION LINE OPERATIONAL

SK040454 Tianjin City Service in Mandarin 2330 GMT 15 Oct 86

[Text] A 500,000-volt superhigh tension power transmission and transformation project in the Beijiao District of Tianjin, one of the key energy construction projects of the state, went into trial operation on 15 October after successfully passing a systematic test. This is currently China's top-class power transformation substation. The main equipment came from eight countries including the Soviet Union and France, as well as from such cities as Nanjing and Shenyang. It is grand and the equipment is of the best quality.

This project began on 1 April last year and was designed and constructed by the Huabei Power Design Institute, the Tianjin Municipal Power Bureau, the Power Construction and Maintenance Company, and the Beijing Power Supply and Transformation Company.

HEILONGJIANG, NEI MONGGOL SIGN ECONOMIC AGREEMENTS

SK030715 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Nov 86

[Text] Our province signed agreements with the Nei Monggol Autonomous Region people's government on further developing economic and technological cooperative relations.

A lateral economic cooperation delegation from the Nei Monggol Autonomous Regional People's Government paid a friendly visit to our province from 28 October to 2 November. Both sides fully probed the sphere of how to expand cooperation and unanimously held that, owing to historical and geographical reasons, the province and the region have their own strong points and similar conditions. The two areas are places awaiting further development. Both sides expressed that they will use their surpluses to make up for each other's deficiencies and to promote mutual development. They reached an agreement on this.

Both sides will jointly develop pyrite, anthracite, marble, gypsum, and graphite mines and jointly operate soda ash, caustic soda, and metallurgical plants. They will also jointly develop grassland resources and build fodder grass, animal feed, and animal husbandry production bases for their own use. Both sides will actively organize enterprises to participate in various enterprise associations and groups which mainly produce brand name and quality products and regard large and medium enterprises as the mainstay. Both sides will further strengthen technological and personnel exchanges. Our province will transfer applied technology to Nei Monggol Autonomous Region and provide it with new scientific and technological findings and technical services. Both sides will expand materials and commodity exchanges and jointly establish commercial coordinated networks. Both sides also reached an agreement on jointly developing border trade and strengthening economic and technological cooperation and information exchanges.

HEILONGJIANG OFFICIAL SPEAKS ON INTELLECTUALS' WORK

SK300519 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Oct 86

[Text] On the afternoon of 29 October, at the Yichun City conference on the work for intellectuals, Liu Chengguo, deputy secretary of the provincial party committee, pointed out: After basically fulfilling the task of implementing the policies towards intellectuals, a problem left over by history, the focus of the province's work for intellectuals should be gradually reoriented towards the path of comprehensive and frequent development. Affected by the leftist line for a long time, there had been a large number of unjust, false, and wrong verdicts on the issue of intellectuals. Therefore, the party Central Committee urged us to fulfill the task of implementing the policies towards intellectuals, a problem which had been left over by history, before the convocation of the 13th party congress. This task was basically fulfilled by our province 1 year ahead of schedule.

Liu Chengguo stressed: In developing the work for intellectuals in a comprehensive and frequent manner, we should adhere to the guiding ideology of further cultivating a social atmosphere of having respect for knowledge and talent, creating a good political, work, and living environment for intellectuals in carrying out reforms; bringing the initiative and creativity of intellectuals into full play; giving full play to intellectuals' special role in building socialist modernization; and encouraging them to contribute to building the two civilizations.

Comrade Liu Chengguo summarized the content of the future work for intellectuals as having respect for and having confidence in intellectuals, creating conditions for them, improving their capabilities, giving full play to their specialities, and enabling them to grow in good health. Liu Chengguo positively appraised the Yichun City party committee for its coordinated development of natural and human resources despite the lack of forestry and financial resources.

JILIN SECRETARY RECEIVES HAMI PREFECTURAL GROUP

SK010646 Changchun Jilin Provincial Service in Mandarin 2200 GMT 31 Oct 86

[Text] An economic inspection group from Hami Prefecture of the Xinjiang Uygur Autonomous Region visited Changchun recently. On 29 October, Gao Di, secretary of the Jilin provincial party committee, called on all members of the inspection group at a guesthouse.

The prefectural economic inspection group headed by (Han Pengfu), secretary of the prefectural party committee, came to our province for the purpose of conducting inspections in Liaoyuan City. The eight member inspection group further studied the development of economic cooperation between Liaoyuan City and Hami Prefecture and discussed specific projects concerning cooperation during its stay in Liaoyuan.

While meeting with the group, Comrade Gao Di extended a warm welcome to the comrades from Hami on their inspection tour in our province. He said: Liaoyuan used to be called a small Shanghai. It has advantages for developing light industry, but is poor in natural resources. Hami Prefecture has the advantage of possessing rich natural resources. So, both sides would benefit from cooperation.

Comrade Gao Di introduced our province's relevant situation and expressed the hope that Jilin Province and Xinjiang Region would extensively conduct economic cooperation based on developing economic cooperation between Liaoyuan and Hami.

JILIN ARRANGES JOBS FOR RETIRED VETERANS

SK010639 Changchun JILIN RIBAO in Chinese 22 Oct 86 p 1

[Text] Thus far, our province has been able to comprehensively complete the work of arranging jobs for retired soldiers. More than 24,500 retired soldiers have taken up new jobs after taking off their military uniforms.

To achieve the work of arranging positions for retired soldiers, all localities throughout the province have established various types of organizations in service to multiskilled personnel. As of last June, 53 counties and 8 cities, prefectures, and autonomous prefectures throughout the province had established job arrangement centers and service centers; and 764 towns and townships had established stations to arrange jobs for multiskilled persons.

To make retired soldiers better suit the demands of the local work, all localities have also opened supplementary training classes. This year the province has opened 128 supplementary training classes for retired soldiers and 1,039 retired soldiers have been trained.

During the course of arrangements, some localities have persisted in assigning tasks on a contract basis, according to the demands of production development, and have avoided the egalitarianism in distribution so that they have made the arrangement work better serve economic construction.

In addition, they have also linked the job arrangement work with the conduct of the soldiers during their enlistment periods. Thus, the retired soldiers were dealt with based on their merits and were reasonably arranged. Some were rewarded while others were punished. All localities also paid full attention to helping retired soldiers solve practical difficulties. So far, the localities have built and rebuilt more than 360 houses for more than 400 rural retired soldiers.

Thanks to the fact that this year's job arrangement work was carried out carefully and reasonably, most counties and cities finished their tasks in March. They ensured that the Armed Forces, retired soldiers, and the units accepting the retired soldiers were satisfied with the work.

LIAONING GRAIN PURCHASING POLICY DETAILED

SK040440 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Nov 86

[Text] The provincial grain work conference ended in Shenyang on 1 November. Vice Governor Zuo Kun reaffirmed this year's policy on purchases of grain and oil-bearing crops.

He pointed out: The corn, sorghum, and millet to be sold by contracts should be purchased at readjusted proportional prices. The price of soybeans to be purchased by contracts should be raised by 0.03 yuan per 0.5 kg. Soybean cake amounting to 10 percent of the soybeans to be sold to the province will be sent to the sellers. Coarse food grain should be purchased at the prices fixed before price readjustment; that is, 30 percent of the coarse food grain will be purchased at the unified purchase price, and the remaining 70 percent will be purchased at subsidized purchase prices. Based on the original prices for above-quota amounts of corn and sorghum, prices of above-quota corn and sorghum will be raised by 0.02 yuan per 0.5 kg. Prices of paddy rice and millet will be raised by 0.014 yuan per 0.5 kg.

The policies stipulated last spring when grain contracts were signed on making industry support agriculture and on linking grain with fertilizer should be carried out when purchasing coarse food grain. Accounts must be settled with each and every peasant household. Peasant household's wishes must be respected. Either cash payments or transfer accounts should be settled according to peasants' wishes. Grain departments are not allowed to deduct any money except for agricultural taxes from the money peasants have earned from selling grain and oil-bearing crops. During the period of purchasing grain and oil-bearing crops, except for the grain departments, no organs, mass organizations, enterprises and establishments, PLA units, schools, units outside the province, or individual households engaged in transportation are allowed to purchase, transport, or sell grain and oil-bearing crops. Purchase contracts that have been signed by these units must not be carried out temporarily. After fulfilling the state contracted purchase quotas and the task of changing the purchase prices from negotiated prices to government prices, the counties are allowed to open various channels to market grain and oil-bearing crops. Farm product trade markets should open as usual in the period of purchasing grain and oil-bearing crops. Peasants are allowed to freely market their grain and oil-bearing crops not covered by contracts. The business between peasant households and consumers will be conducted as usual after the contracts are fulfilled.

SHAANXI HOLDS PARTY RECTIFICATION CONFERENCE

HK050813 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 4 Nov 86

[Text] During the provincial telephone conference on village party rectification which was held on the evening of 3 November, Li Xipu, director of the provincial party committee party rectification group, pointed out that in village party rectification, all prefectural, city, county, and township party committees must really strengthen their leadership and give specific guidance. They should solve problems promptly whenever they find them, so as to ensure the [words indistinct] of party rectification.

Comrade Li Xipu said: The province's village party rectification work has started on a full scale. However, party rectification preparatory work and discipline inspection work in various localities is unevenly developed. Some localities do not have a deep understanding of the significance of village party rectification and do not handle it as a central task for this winter and next year's spring. In particular, the principal leaders of some party committees only assume leadership but do not personally carry out the work. They have no idea about party rectification work or do not carry it out in an in-depth manner. Some take a wait-and-see attitude toward village party rectification, and do not adopt effective measures. It seems that they only want to act in a hasty or superficial manner. In view of this situation, he stressed: We must treat village party rectification as the central task of this winter's rural work. All other tasks must serve the needs of this work. They should be formulated and arranged in a centralized way.

Comrade Li Xipu urged all localities to expand great effort to act in the spirit of the provincial party committee's conference on party rectification work. He said: Judging from the situation as revealed by investigations, Baoji, Yulin, Xian, Hanzhong, Weinan, Xianyang, and Shangluo prefectures and cities implemented the work quite well. He said: To run party classes well at the village level is a basic method for educating party members in ideology. In order to do well in this education, we must spend great effort to prepare educational materials.

In conclusion, Comrade Li Xipu said: At present, in village party rectification, we must do well in the following three points: First, we must emphatically examine the understanding and guidance of principal prefectural and country party committee leaders in village party rectification work. Second, we must, in accordance with local conditions, exercise specialized guidance. Third, we must pay attention to feedback issues in the course of carrying out the work.

He urged all party and government organs to create the necessary conditions in various areas for doing well in party rectification.

SHAANXI CONDUCTS EDUCATION WORK MEETING

HK311255 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 31 Oct 86

[Text] The provincial universal education work meeting, which concluded on 30 October, emphasized the issue of strengthening the contingent of secondary and primary school teachers. At present, some 50 percent of the province's secondary and primary school teachers will have their qualifications improved through training in order to attain the standard level.

The conferees held that we should adopt manifold policies to strengthen the province's capacity of training secondary and primary school teachers. The meeting pointed out: Teachers' colleges should offer courses and training in special information. The special courses and training period in these colleges should be gradually shortened from 3 to 2 years. Teachers' colleges at the prefectural and city levels may offer these special courses. We should systematically select a number of television university graduates to join short-term training courses for teachers. On examinations for self-study students, we should [words indistinct] those who are bold in developing politics, foreign languages, physical education, music, arts and other subjects. [words indistinct]

At the closing ceremony, Governor Li Qingwei said: All departments must assist and carry out practical work when developing the education undertaking. In particular, the financial departments should try their best to [words indistinct] to run the undertaking.

He stressed: The 9-year compulsory universal education will not work if we only depend on the state's efforts but without the people's support. Therefore, we must rely on the masses to engage in the undertaking in various ways. He hoped that the large and medium enterprises and institutions would give play to the advantages of technology and make contributions to the province's vocational training.

SHAANXI VIGOROUSLY DEVELOPS INDIVIDUAL ECONOMY

HK050447 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 1 Nov 86

[Excerpt] Our province's individual economy has developed vigorously. The number of workers engaged in individual industry and commerce has grown to some 420,000. The output value of the products and the amount of commodities sold by individual industrial and commercial households in the whole province during the first 9 months of this year accounted for 10 percent of the total value of retail social commodities in the whole province.

During the Sixth 5-Year Plan, individual industrial and commercial households throughout our province submitted taxes of some 140 million yuan to the state. Over the past few years, our province's individual economy has developed quickly. The scale of operation has been continuously expanded. The number of workers of all industrial and commercial households throughout our province in 1980 was only 15,000 and has now developed to 420,000, an increase of 26 times in 5 years. The structure of individual operators' trades has developed from commerce and catering as the main trades to 250 trades including small-scale industry, mining, construction, communications, transport, culture, art, and scientific and technological services. The total amount of capital this year has reached 310 million yuan.

In the wake of the rural economy being shifted to specialization orientation, commodity economy, and modernization, the focal point for the development of individual industry and commerce has moved from the cities and towns to the rural areas. The number of the rural individual industrial and commercial households throughout our province now accounts for 48 percent of the total number of individual industrial and commercial households in the whole province. [passage omitted]

The provincial Individual Laborers Association and provincial Industrial and Commercial Administrative Bureau recently held a commendation rally to commend 12 advanced collectives, including the (Beiling) District Individual Laborers Association of Xian City, and 15 advanced individual laborer pacesetters, including (Zhu Xiaoli).

ECONOMIC OFFICIAL URGES FEWER EXPORTS TO U.S.

OWO40414 Taipei CNA in English 0242 GMT 4 Nov 86

[Text] Taipei, Nov. 3 (CNA) -- A ranking official with the Economics Ministry has called for improvement of the ROC-USA [Republic of China-USA] trade imbalance as a means to solve the trade disputes between the two nations.

Vice Economics Minister Wang Chien-Hsien said that most of the existing trade disputes between the Republic of China and the United States arose from their huge trade gap.

Before the problem of the trade imbalance can be improved, many other trade disputes may erupt any time, even if the dispute over the ROC's importation of American beer, wine and tobacco is solved in the near future, Wang said.

Wang said the over-concentration of the ROC exports on the U.S. market will be a great risk for the nation once the U.S. initiates retaliatory measures.

About 48 percent of the ROC's exports went to the U.S. in the first six months of this year. Wang suggested that the nation reduce its exports to the U.S. to less than 37 percent of its total exports so as to minimize the possible adverse influence brought by U.S. retaliatory measures.

Meantime, another ranking Economics Ministry official called on the people here to be cool in response to the American retaliatory measures against the nation.

The U.S. authorities have been drafting up retaliatory actions since the talks on the ROC's imports of American cigarettes and alcoholic beverages broke off. They are to announce the content of the retaliatory program within next week.

The official said that Premier Yu Kuo-hua had a meeting with Economic Minister Li Ta-hai and Finance Minister Robert C. Chien recently on the countermeasures which the nation may take against U.S. retaliation. However, the official refused to elaborate on the result of the meeting.

DEMOCRATIC PROGRESS PARTY BANNED FROM ELECTION

OWO40955 Taipei CHINA POST in English 31 Oct 86 p 12

[Text] Candidates cannot register or campaign on behalf of the "Democratic Progress Party" (DPP) in the year-end by-elections before concerned laws are revised, the Central Election Commission (CEC) said yesterday, although it did not say what the consequences of violations would be.

Meanwhile, Wu Poh-hsiung, minister of the interior and concurrent chairman of the CEC, said the government maintains its policy of not recognizing new political parties before revisions to existing laws are complete.

In answering an interpellation made by Legislator Tsai Cheng-pang in the Legislative Yuan yesterday, Wu said political stability and harmony within the country is everyone's responsibility.

Since the government is sincere in its effort to achieve political plurality, Wu said, he hoped everybody would cooperate in maintaining political stability.

The Statute for the Formation of Civic Bodies During the Period of Communist Rebellion and the Public Officials Election and Recall Law are currently being drafted by the ministry to legalize new political parties.

Challenging a ban on the formation of new political parties, 135 nonpartisans signed a declaration Sept. 28 announcing the birth of the DPP. However, there have been no arrests.

INTERIOR MINISTER URGES FAIR, OPEN ELECTIONS

OWO40417 Taipei CNA in English 0248 GMT 4 Nov 86

[Text] Taipei, Nov, 3 (CNA) -- Interior Minister Wu Po-hsiung called on the people here Monday to try their best to help make the coming year-end elections a success.

Nationwide elections are to be held early next month to elect supplemental members to the National Assembly and the Legislative Yuan.

In answering an interpellation by Legislator Chao Hui-mo at a meeting of the Committee on Interior Affairs, Wu said that the government has always upheld the principles of justice, fairness and openness in staging the elections.

It is expected that over 11 million voters will cast their ballots at some 10,000 voting stations around the nation during the coming elections. "The government will spare no efforts to assure successful and smooth elections," Wu pledged.

Wu said that the spirit of democracy will be demonstrated through elections and all election campaigns should be conducted in accordance with laws and regulations.

We called on the people here to be rational in electing able and wise persons to public offices. "Those candidates who try to bribe the voters, use violence or find loopholes in the law to seek their election should be boycotted by all of the electorate," Wu said.